

THE WEATHER - PARIS: Tuesday, overcast, possible rain. TUESDAY, 61-71. LONDON: Tuesday, overcast, possible rain. TUESDAY, 54-64. CHANGING: Tuesday, rain. TUESDAY, 52-62. NEW YORK: Tuesday, overcast with rain. TUESDAY, 64-74. NEW YORK: Tuesday, overcast with rain. TUESDAY, 64-74.

Exchange rates table: Algeria: 500 Din. Iran: 175 Rial. Nigeria: 100 C. ...

China Party Replaces Hua; Hu Is Appointed Chairman

By Michael Weiskopf Washington Post Service PEKING — China's Communist Party named the reformist Hu Yaobang on Monday night as its new chairman, heading a list of sweeping leadership changes that set aside the last vestige of the Maoist era while decisively strengthening control of the pragmatic officials now running the nation.

Hua Guofeng's replacement as chairman of the Communist Party is viewed as a protégé of the deputy premier, Deng Xiaoping. Details, Page 2.

Hua Guofeng, the man Mao nicknamed as his successor, was named party chief to junior status. He was also criticized by the Central Committee for opposing the pragmatists' reform measures that stress economic growth instead of the Maoist ideal political activism.

Significant Victory The elevation of Mr. Hu from party general secretary represents a significant victory for the party's reform wing headed by China's paramount leader, Deng Xiaoping, deputy premier who has moved to a key position over the last three years to install his protégé in top party and government posts.

Deng Gains Role Mr. Deng himself was appointed head of the party's military commission, which directs China's powerful armed forces. With Mr. Hu running the party and Mr. Zhao in charge of the state bureaucracy, Mr. Deng, an old army political commissar, placed himself in a position to assure control of the military.



Hu Yaobang

Mr. Hu, 67, and Mr. Zhao, 62, represent a new generation of Communist leaders groomed to take over for men such as Mr. Deng in their 70s and 80s who have been running the nation for 32 years. Mr. Deng, 76, who holds the formal title of party vice chairman, despite his political dominance, views both men as trusted successors to guide China's destiny after he dies or retires from public life.

The leadership changes announced through a communiqué issued at the end of a weeklong Central Committee meeting in Peking were described as measures "to strengthen the Central Committee's collective leadership" and assure implementation of the far-reaching reforms put forth by the Deng faction.

Since regaining power in 1977 after he fell victim to a second purge during the Cultural Revolution, Mr. Deng has fashioned a package of controversial measures, including the use of material incentives to spur economic productivity, cutting the defense budget in favor of investment in consumer industry, giving workers greater say in running their factories, resumption of competitive examinations as criteria for students seeking higher education and an opening to the West to help China modernize its creaky economy through foreign trade and assistance.

Many of the policies have been resisted by officials at the lower levels of the party, who feel personally threatened by the reforms and disagree with the philosophy behind them. This problem is exacerbated by the fact that nearly half the party's 38 million members joined during the Cultural Revolution when political purity, not competency, was the criteria for entry.



Ayatollah Beheshti

Agee Loses In U.S. Suit On Passport Revocation Upheld By Supreme Court

WASHINGTON — In a case involving Philip Agee, a former CIA agent who has exposed many of the agency's secrets, the Supreme Court ruled Monday that the secretary of state may revoke a passport if the holder is a threat to national security. The 7-2 decision reversed two lower courts.

Mr. Agee's passport was revoked by the State Department in 1979 under the Passport Act of 1926 on grounds that his disclosure of the names of CIA agents was harmful to the agency.

"When there is a substantial likelihood of serious damage to national security or foreign policy as a result of a passport holder's activities in foreign countries, the government may take action to ensure that the holder may not exploit the sponsorship of his travels by the United States," Chief Justice Warren Burger said in the majority opinion.

Justice Burger said the Constitution entitled Mr. Agee only to a statement of reasons and an opportunity for a "prompt" hearing after his passport was revoked.

While the Passport Act does not expressly authorize the secretary of state to revoke a passport, it also does not "expressly limit those powers," the chief justice said. "It is beyond dispute that the secretary has the power to deny a passport for reasons not specified in the statute."

Mr. Agee, who was a CIA agent from 1957 to 1968, now lives in Hamburg. The revocation of his passport means he would not be able to travel outside West Germany except to return to the United States.

The government accused Mr. Agee of causing "serious damage to the national security and foreign policy of the United States" by "purporting to identify individuals within specific countries as CIA agents, employees or sources."

Expulsion the Aim The disclosures, it said, were "designed to force the expulsion of American employees from foreign countries and constitute a serious threat to the lives and safety of such employees."

In December, 1979, Cyrus Vance, then secretary of state, revoked Mr. Agee's passport because further travel by him "threatens additional damage of the same kind."

Embarking in 1974 on a campaign to discredit the Central Intelligence Agency, Mr. Agee used information gained during his nine years of service to disclose the names of nearly 1,000 CIA agents. He divulged the information in three books, most notably "Inside the Company: CIA Diary," and several articles.

While saying that Mr. Agee "is hardly a model representative of our nation," Justices William Brennan and Thurgood Marshall dissented from the court's ruling. "Just as the Constitution protects both popular and unpopular speech, it likewise protects both popular and unpopular travelers," Justice Brennan wrote.

"And it is important to remember that this decision applies not only to Philip Agee, whose activities could be perceived as harming the national security, but also to other citizens who may merely disagree with the government's foreign policy and express their views."

Beheshti, 4 Iran Ministers Among 72 Killed by Bomb

TEHRAN — Iran's powerful chief justice, Ayatollah Mohammed Beheshti, and several other leading politicians were among 72 persons killed late Sunday when explosives blew apart the headquarters of the ruling Islamic Republican Party, opening a vast power gap in the revolutionary government. Pars news agency reported Monday.

Thousands of demonstrators, carrying photographs of Ayatollah Ruhollah Khomeini and Ayatollah Beheshti, poured into central Tehran to protest the attack, which surviving leaders blamed on Iraq — with whom Iran is fighting an inconclusive war — and the United States. Pars said the demonstrators were "calling on the imam [Ayatollah Khomeini] to let them crush the counterrevolutionary forces."

Ayatollah Beheshti, 52, was the strongest revolutionary leader in Iran after the ailing, 81-year-old Ayatollah Khomeini. Among the others killed were four cabinet ministers, six deputy ministers and 20 members of the Majlis (parliament).

Majlis Speaker Hashemi Rafsanjani said the blast was the work of "committed agents of the U.S.A., the sworn colleagues of [Iraqi President] Saddam [Hussein]," Tehran Radio said.

In Washington, Secretary of State Alexander M. Haig Jr. said there was "absolutely no American involvement in the recent tragic events in Tehran."

Ayatollah Beheshti was head of the Islamic Republican Party and the Supreme Court, and was the mastermind of the clerics' growing hold on power. He was one of the triumvirate that took over the country's management after Abolhassan Bani-Sadr was formally dismissed as president June 22.

Chief government spokesman Behzad Nabavi said Monday that elections to replace the dead Majlis deputies would take place soon and that voting for Mr. Bani-Sadr's successor would go ahead as planned July 24.

Pars said Tehran "is expected to witness one of the greatest funerals tomorrow [Tuesday] for these martyrs."

Tehran Radio said that Ayatollah Khomeini had appointed Prosecutor-General Seyyed Abdolkarim Musavi-Ardebili as chief justice to replace Ayatollah Beheshti. Ayatollah Rabbani Amleshi was appointed prosecutor-general, the broadcast said.

Ayatollah Khomeini ordered Premier Mohammed Ali Rajai to find temporary replacements for the four cabinet ministers and to appoint permanent replacements as quickly as possible. There are 22 posts in the cabinet.

Tehran Radio said Musa Kalantari, 33, minister of roads and transport, and Hassan Abaspur, 37, minister of power, were killed. Tehran's revolutionary prosecutor, Asadolah Lajvardi, was also reported to have died. The newspaper Islamic Republic said Mohammed Ali Fayazbakhsh, 44, minister of state for welfare, was killed. The fourth cabinet member was not named.



Rescue workers digging to remove a body from the rubble left by the bombing of Iran's Islamic Republican Party headquarters.

EEC Launching New Afghan Initiative

Brussels, June 30 — Britain has proposed a new initiative to help solve the Afghan problem. The initiative, known as the "Brussels Initiative," is designed to provide financial assistance to help cope with its economic crisis. West German sources said Monday.

The request and assistance for Poland — desperately short of foreign exchange, raw materials and imported goods — is expected to be discussed at the EEC summit.

Other diplomats said that London Carrington has reported indications of Soviet interest in finding a face-saving way to reduce the military and diplomatic difficulties which it is encountering over Afghanistan.

"We are still waiting for more details of what hints the British have had," a West German official said. Although there have been consultations in the West and with Moscow about the proposal, British officials are careful to avoid public statements about the Soviet response so far.

Since the European plan also offers the West a way of keeping up the diplomatic pressure on Moscow, it has been well received in Washington, diplomats said. They also noted that the Reagan administration is interested in trying to involve European leaders in assuming more responsibility in confronting problems of Soviet military activity outside Europe.

Mitterrand Irritated LUXEMBOURG (UPI) — President Francois Mitterrand of France assailed President Reagan's strong dollar policy Monday and asked with irritation "how long" it would continue, a French government spokesman said.

The spokesman added: "President Mitterrand has no illusions that the high interest rate policy of the United States is going to change in the near future, but surely Washington must realize the inconvenience this policy is causing to America's allies."

The spokesman said Mr. Mitterrand, attending his first EEC summit meeting, had asked, "How long is this policy going to continue?" He said the president spoke with "a degree of irritation."

Poland Requests Aid LUXEMBOURG (Reuters) — Poland has asked Western countries for financial assistance worth \$1.2 billion to help cope with its economic crisis, West German sources said Monday.

The request and assistance for Poland — desperately short of foreign exchange, raw materials and imported goods — is expected to be discussed at the EEC summit.

3 Nations Said to Share Nuclear Secrets

U.S. Observers See Atomic Club Emerging Amid Political Isolation

WASHINGTON — An expanding pattern of nuclear contacts among Israel, Taiwan and South Africa has opened a debate within the Reagan administration about whether the three nations are assisting one another in the development of atomic weaponry.

Some intelligence and State Department officials who monitor the flow of nuclear technology and information are convinced that the three countries constitute the major players in an emerging club of politically isolated nations whose purpose is to help each other acquire their own atomic bombs.

These nations have been forced to rely on one another for military and intelligence contacts, the officials said, as each has become progressively more estranged in the world community.

These officials and private experts expressed concern that Israel might increase such covert contacts if its diplomatic isolation grows as a result of the recent attack on Israel's nuclear reactor.

Other officials within these agencies, however, disagree that such a network is emerging and minimize the threat it might pose to nuclear nonproliferation efforts. While they acknowledge that there seems to be an increasing exchange of nuclear technology, know-how, and materials among the three, they are skeptical that the cooperation is aimed at developing nuclear weapons and effective delivery systems.

But several officials who have most closely followed the development of what one termed the "triangular relationship" among Taiwan, Israel and South Africa on nuclear matters are disturbed by the following:

Israel is said by intelligence officials to be assisting Taiwan in developing a rocket that could be used to deliver atomic warheads.

Intelligence officials report that Israeli scientists are working in South Africa on nuclear energy programs that could assist the government there to acquire the know-how to build nuclear weapons.

Scientists from Taiwan are said to be working for South Africa on projects that would enable Pretoria to produce weapons-grade uranium.

South Africa has become an exporter of uranium to both Israel and Taiwan, and last year, Taiwan signed a 6-year contract to obtain 4,000 tons of uranium from South Africa, intelligence officials said. In exchange, Pretoria is said to be receiving critically important technology and training from Israel and Taiwan.

These contacts are cited in a 1979 study prepared for the Defense Intelligence Agency and released last year. The report concludes that South Africa has "enhanced international opportunities in the nuclear field from the emerging 'pariah state network.'"

Officials also report growing nuclear ties among other would-be atomic powers, such as Argentina, Brazil, and Iraq. Intelligence aides say, for example, that Brazil recently agreed to provide Iraq with sensitive nuclear power technology obtained from West Germany in exchange for guaranteed access to Iraqi oil.

U.S. intelligence officials concluded as early as 1974 that Israel had produced nuclear weapons in a program centered at Dimona, with a French-built reactor and uranium supplied "partly by clandestine means," according to a Central Intelligence Agency report made public in January, 1978.

Last week, CIA analysts told members of the House Foreign Affairs Committee in a secret session, according to one congressional source, that Israel was now believed to possess 10 to 20 nuclear weapons that could be delivered either by fighter bombers or Israel's domestically designed and built Jericho missile.

Meanwhile, Moshe Dayan, former defense and foreign minister of Israel, said last week that while Israel did not have any bombs now, "we have the capacity," and could manufacture weapons "in a short time."

The contacts reflect the three states' perception that their political isolation is increasing. "The four feel themselves estranged from the First World [Western democracies], barred from the Third World," observed Kenneth L. Adelman, author of the Defense Intelligence Agency study on South Africa's nuclear potential and a former member of the administration's transition team at the State Department.

Each nation fears that its security and very existence is threatened: Israel, by hostile Arab states; South Africa by racial reaction to its system of racial separation; and Taiwan by 1 billion mainland Chinese.

Analysts point to other linkages. In the case of South Africa, its large Jewish population promotes ties with Israel. Mr. Adelman notes that South Africa's 130,000 Jews donate more per capita to Israel than any other Jewish community outside of Israel, and are second in total contributions only to American Jews.

A panel of experts appointed by the Carter White House concluded last year that a mysterious flash off the coast of South Africa in September, 1979, was most likely explained by natural phenomena. But several intelligence officials said that they were still convinced that the flash was a nuclear explosion. Some believe that it was a nuclear test conducted covertly by South Africa, Israel and, perhaps, Taiwan.

OSING RALLY — Shimon Peres, right, the opposition Labor Party candidate for prime minister in Israel's general election today, appeared at a final rally with new ally Yitzhak Rabin, who would become defense minister in a Labor government.



OSING RALLY — Shimon Peres, right, the opposition Labor Party candidate for prime minister in Israel's general election today, appeared at a final rally with new ally Yitzhak Rabin, who would become defense minister in a Labor government. The most recent public opinion sampling gave Labor an edge, but it may be too thin to govern. Details, Page 2.

INSIDE

Boost for Kania Almost all the Polish Communist Party's leaders have been elected delegates to next month's emergency party congress in what political analysts see as a boost for party leader Stanislaw Kania. Page 3.

Spadolini Move Italy's new premier, Giovanni Spadolini, scores an early triumph for his newly installed coalition government when he headed off a conflict between employers and unions. Page 3.

... captured by nearby troops. Pragmatic moves ...



# Hu's Strong Link to Deng Seen As His Best Asset in New Post

By Michael Weisskopf

**Washington Post Service**  
**PEKING** — In a nation led by revolutionary war heroes, Hu Yaobang never commanded an army. He never governed a province or ran a government ministry. His speeches seldom reach beyond party functionaries. Few foreigners have ever met him.

mate relationship with Deng Xiaoping, China's deputy premier and the country's foremost leader. It was Mr. Deng who muscled through the appointment of his protégé, against the opposition of suspicious old-line military officers and party bureaucrats.

Mr. Deng, who holds the title of vice chairman despite his preeminent place in Chinese politics, pushed his trusted friend to the top of the party as a kind of life insurance policy. At 76, Mr. Deng is grooming a team of successors to carry on his reform policies after he dies and to resist the leftist programs that shattered China during the Cultural Revolution.

**Pragmatic Politician**  
Like his mentor, Mr. Hu is a pragmatic politician who helped fashion the programs that have governed China since he and Mr. Deng returned in 1977 from their official disgrace. They have opened China to the West, injected capitalist incentives into a stagnant economy, reformed the bloated and conservative Communist Party, and taken the politics out of science.

As Mr. Deng's choice for party general secretary 16 months ago and before that for a leading role on the new disciplinary committee, Mr. Hu has acted as a political broom, trying to sweep out leftover radical associates of Mao who continue to occupy important positions in the bureaucracy and take every opportunity to resist the new reforms.

Mr. Hu acted in two other jobs that led to controversy but gained him the respect of party leaders. As head of the party's organization work, he investigated Cultural Revolution cases and boldly rehabilitated its victims. As head of the propaganda department, he focused media attention on cases of party corruption and the need to reform the party structure.

Mr. Hu also served as the leadership's most acidic critic of the decade-long Cultural Revolution, calling it a "catastrophe" without a single redeeming quality. Even before the official press began questioning Mao's role in the calamitous campaign, Mr. Hu blamed the "great helmsman" for the "majority of ultraleftist mistakes."

This has gained him wide popularity among the party's intellectuals and scientists who, like Mr. Deng and Mr. Hu, suffered grievously during the radical decade. They regard Mr. Hu as an ally who possesses the leadership's most tolerant view on freedom of expression.

But these qualities alienate still-powerful leftists in the military and party who feel threatened by

Mr. Hu's slashing attacks against them and their hero, Mao. They believe that the reforms Mr. Hu is trying to implement run contrary to Socialist ideals and will weaken the authority of the Communist Party.

With Mr. Deng behind him, the new chairman is expected to have the authority to offset the conservative influence. Once his patron departs, however, it is uncertain whether Mr. Hu will have sufficient political connections and levers of power to control a party still fractured by the Cultural Revolution.

As Mr. Deng's alter ego for the last 40 years, Mr. Hu never built the kind of power base that has propelled other Chinese to leadership positions.

"Without Deng," concluded an Asian diplomat, "Hu cannot operate. Deng is the one who holds it together for his junior partner."

The partnership began not long after Mr. Hu left his native Hunan province at the age of 14 to become a "little red devil," or child soldier fighting for Communist forces. Since the two men fought side by side against the Japanese in the arid Taihang Mountains of northwest China, Mr. Hu has shared his senior partner's political ups and downs.

**Party Boss**  
When Mr. Deng was party boss of southwest China after the Communist takeover in 1949, Mr. Hu was posted in Mr. Deng's native southwest province of Sichuan. In 1952, Mr. Hu followed Mr. Deng to Peking, where he began his long career as head of the Communist Youth League, which was the main avenue of entry into the party for most of the second generation of Communist leaders.

The two men disappeared from public view in 1966 during the Cultural Revolution and were brutally criticized by Red Guards. Mr. Hu has said that he spent 2½ years of his political exile living in a rural cow shed, forced to clean up after cattle. The remainder of his time during the Cultural Revolution was spent at cadre reeducation schools and under house arrest, he told Yugoslav journalists in a rare interview last year.

When Mr. Deng briefly regained power in 1973, he assigned his old friend to restore morale at the battered Academy of Sciences. And when Mr. Deng was purged a second time in 1976, Mr. Hu also vanished, remaining out of sight until his mentor again reappeared in 1977 and quickly had his favorite lieutenant placed on the Central Committee of the Communist Party.



**UMBRELLAS OF LUXEMBOURG** — Trade unionists from throughout Europe staged a protest march outside the Common Market building in Luxembourg Monday as EEC ministers and heads of government began their economic summit meeting. Details, Page 1.

## Beheshti Among 72 Killed in Bombing

(Continued from Page 1)

minister was listed as Mahmud Qasbi, 37, minister of posts and telecommunications.

Although Ayatollah Beheshti left no obvious successor as Iran's No. 2 leader, the other members of the presidential council that took over from Mr. Bani-Sadr — Mr. Rajai and Mr. Rafsanjani — are still alive.

Mr. Rafsanjani was said to have left the party building shortly before the explosion. Mr. Rajai, who is not a member of the party but is supported by it, apparently was absent. Mr. Nabavi did not attend the meeting.

**Increased Burden**  
But without Ayatollah Beheshti, the Islamic Republican Party and its supporters may find the burden of projecting Islam onto modern politics and economics even more difficult.

What is more, the viciousness and accuracy of the bombing — on a level far above that of past attacks by religious or political extremists — demonstrated the organization and skill of whoever the party's opponents were in this case.

The fact that the opposition attempted to wipe out virtually the whole leadership, apart from Ayatollah Khomeini, suggests that it does not intend to sit back and let the clergy-controlled establishment pick up the pieces.

"Apparently two powerful bombs were placed near the speaker's platform in the building while Ayatollah Beheshti... was address-

ing some ministers, Majlis deputies and others," Fars said. It said the explosives had been hidden in a rubbish bin.

However, Mr. Nabavi told Tehran Radio that "the explosive was in a great quantity and had been placed in the school next to the building."

**Week of Mourning**  
Premier Rajai, urging Iranians to be calm but to "report any suspicious matter," declared Monday and Tuesday holidays, and shops close as a week of mourning began for the victims.

In a speech at a mosque near his home in north Tehran, Ayatollah Khomeini was reported by Fars to have said: "This unexpected event has engendered the sorrow of our nation." The revolutionary leader blamed youths "deceived by imperialism" for setting the blast.

Surviving officials — among them Ayatollah Hussein Ali Montazari, whose son, Abbas Gholam Mohammed Montazari, the Tehran prayer leader, was killed in the blast — blamed "the criminal America and its mercenary agents."

The Islamic Revolutionary Party said in a statement: "While wandering America, we declare that the more severe its plots become, the more organized and revolutionary the Iranian people will become. America and Israel cannot terrorize the Iranian revolution by assassinating Iran's revolutionary figures. The Iranian revolution shall advance until the hands of America and Zionism are cut off in the region."

Mr. Nabavi denied what he called assertions by foreign radio stations that the explosion was part of a planned military coup.

"It could have been done by a group of, say, four people," he said.

He did not blame any specific group but suggested that Mr. Bani-Sadr's supporters among liberal and nationalist parties and leftist guerrilla groups could have been involved, as well as the United States. Tehran Radio charged that the explosives were "planted by agents of America."

**Disidents' Claim**  
A shadowy Iranian dissident movement claimed responsibility for the attack. A man claiming to represent the Nationalist Equality Party headed by Gen. Muhtar Karabag telephoned international news agencies in Ankara on Monday to say that his organization had planted the bomb.

Iranian Embassy sources in Ankara said that they had heard of the group but that they did not take the claim seriously.

The caller said: "The Nationalist Equality Party militants have fulfilled the orders of Gen. Muhtar Karabag and eliminated the murderer chiefs." He said the group also claimed the bomb attack Saturday on a leading cleric, Sayyed Ali Khamene'i, in a south Tehran mosque. Mr. Khamene'i was reported to be hospitalized but not in danger.

The bombing Sunday followed a week of executions of opponents of the clergy, notably supporters of Mr. Bani-Sadr.

# Both Parties Predict Majority on Eve of Balloting in Israel

By William Claiborne

**Washington Post Service**  
**JERUSALEM** — Both major political parties in Israel's general election predicted victory in Tuesday's balloting as nearly 2 million voters prepared to go to the polls.

The opposition Labor alignment said Monday it is encouraged by a sampling from the Dahaf public opinion research organization showing a result of 43 seats for Labor and 40 for the ruling Likud coalition headed by Prime Minister Menachem Begin. However, even if Mr. Begin fails to gain a majority in the parliamentary elections he may be able to form a coalition with the assistance of the religious parties.

Another possibility is that neither party will gain a working majority and if no government can be formed, another election will be necessary. "Right now, it doesn't look so good," said an aide to Mr. Begin. "We peaked too early, and we're starting to think in terms of another election."

In the Tel Aviv headquarters of the Labor alignment, however, there was considerably more optimism. "We would have liked to have turned the tables a little bit earlier, but finally things are changing for us," said David Sawyer, a campaign adviser to Shimon Peres, who is heading the Labor ticket.

Neither party was willing to predict the outcome of the vote, since Israeli voters are volatile and moody, susceptible to influence by last-minute events and campaign maneuvering.

An advantage to the Likud is that it has already made an agreement with the National Religious Party and the Agudat Yisrael religious faction to set up a single party, the Likud, on the basis of Tuesday's vote. By law, the president of Israel, Yitzhak Navon, is obligated to appoint the party or bloc of parties — regardless of whether they have a majority — and ask them to form a coalition.

**Fail-Safe Spectacles**  
The spectacles are fitted with an electronic device, so if the engineer falls asleep and stops blinking the train automatically halts.

**See Sleepy Trainmen**  
United Press International  
BERLIN — East Germany has developed a special kind of eyeglasses for locomotive engineers that will halt the train if they fall asleep, the East German news service said Monday.

The spectacles are fitted with an electronic device, so if the engineer falls asleep and stops blinking the train automatically halts.

**U.S. Bridge Collapses**  
The Associated Press  
KEITHSBURG, Ill. — An unused railroad bridge caught fire Monday and collapsed into the Mississippi River, blocking barge traffic in north and south directions, authorities said. The cause of the fire was not determined.

**Senior French TV News Executive Leaves Job**  
The Associated Press  
PARIS — A senior television news executive left his job Monday, the latest victim of the shakeup in France's state-owned broadcasting system in the wake of Socialist election victories.

Jean-Pierre Elkabbach, who headed the news department of the country's second television channel, had refused to resign following Socialist charges that broadcast officials favored center-right candidates in the recent campaign.

Former President Valéry Giscard d'Estaing, defeated by Francois Mitterrand, had hunkered the heads of France's three television channels and the state radio network, and influenced assignments to news posts. Last week Maurice Ulrich, chairman of the second channel, and Roland Faure, head of news at Radio France, resigned.

**South African Police Free 10 Black Students**  
The Associated Press  
JOHANNESBURG — The police have released 10 university students arrested last Friday in a pre-dawn raid, a security police spokesman said Monday.

The students, all black, apparently were detained in connection with the investigation of a flag-burning incident on the campus of the University of the Witwatersrand.

A prominent member of the opposition, Helen Suzman, called the arrests a scandal and said her Progressive Federal Party would raise the issue during the coming parliamentary session. "This is a prime example of overkill over an incident which could have simply been disapproved of and forgotten," Mrs. Suzman told the Rand Daily Mail.

**Britain Supports Proposed Sale of Observer**  
United Press International  
LONDON — The Trade Department indicated on Monday that it would approve the proposed sale by Atlantic Richfield Co. of The Observer newspaper to the British conglomerate Lomro, Ltd.

Trade Secretary John Biffen said that he would support a report published Monday by the Monopolies and Mergers Commission recommending approval of the sale to Roland Rowland's Lomro.

The takeover by Lomro would be subject to several conditions set out after the report has been circulated, Mr. Biffen said. The commission voted 7-1 in favor of approving the sale. The sale of any large newspaper must be referred to the commission under British law.

**Brandt in Moscow for Talks With Brezhnev**  
The Associated Press  
MOSCOW — Former West German Chancellor Willy Brandt, who pioneered better relations with the East a decade ago, arrived in Moscow on Monday night as the personal guest of Soviet President Leonid Brezhnev.

Mr. Brandt, who heads the ruling Social Democratic Party in Bonn, left to meet with Mr. Brezhnev on Tuesday. Their talks were expected to focus on prospects for new East-West arms talks, the Polish crisis and North-South development aid. SPD sources said Mr. Brandt's aim in Moscow was to gauge Soviet feelings and set out Western views on Kremlin leaders.

The key issue for West Germany is the prospect of talks on curbing weapons including Soviet SS-20 missiles and the Cruise and Pershing missiles that the North Atlantic Treaty Organization is to start deploying in late 1983.

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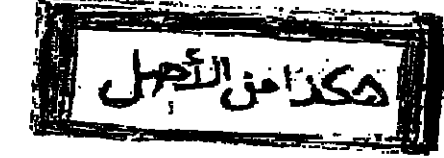
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# U.S. Radar Engineer, Pole Arrested by FBI

By Evan Maxwell  
Los Angeles Times Service  
LOS ANGELES — An American radar engineer and a Polish businessman suspected of being an undercover intelligence agent for his government have been arrested on espionage charges by FBI agents here.

The two, arrested on Sunday, are suspected of having conspired for more than a year to pass information about military and space radar projects to Poland and other Warsaw Pact countries, including the Soviet Union.

FBI agents said the suspected Polish intelligence officer had paid the engineer more than \$110,000 for documents that may have included secret information about the U.S. space shuttle as well as military secrets. The FBI special agent who announced the arrests identified the suspects as William Holden Bell, 61, an engineer for Hughes Aircraft Co. of nearby El Segundo, Calif., and Marian Zacharski, 29.

Hughes officials said Mr. Bell was fired on June 23 from his position as engineer and project manager in the Radar Systems Group.

Special Agent Richard Mellitt of the FBI said Mr. Zacharski is president of the Polish American Machinery Co., a manufacturing firm wholly owned by the Polish government which has offices in Illinois and Santa Fe Springs, Calif. The firm sells heavy machinery to customers in the United States.

**Neighbors in California**  
The relationship between Mr. Bell and Mr. Zacharski, who are neighbors in a Playa Del Rey, Calif., apartment building in the Los Angeles suburbs, has been under investigation since 1978, Mr. Mellitt said. The FBI believes that classified Hughes materials began passing between the two sometime in 1980.

Mr. Mellitt refused to estimate the importance of the stolen materials. Lee Pitt, director of corporate communications for Hughes, said the Radar Systems Group where Mr. Bell was employed works on a variety of military projects including rendezvous radar for the space shuttle as well as more conventional aircraft defense radar. Mr. Bell does not have top



Marian Zacharski



William Holden Bell

secret clearance, but his secret clearance gave him access to a wide variety of material.

The two are formally charged with gathering and delivering defense information to a foreign country. If convicted, they both could face life in prison. FBI agents said both men are married and each has two children.

Mr. Mellitt said the men have known each other since 1977, but their relationship was only social at first. Apparently Mr. Bell was not chosen as an intelligence agent but became one in the course of the social relationship.

Foreign spies operating in the United States are usually immune to arrest since they operate under diplomatic status, but Mr. Zacharski is under commercial status and therefore lacks such immunity.

# Spadolini Averts Major Labor Dispute

ROME — Italy's new premier, Giovanni Spadolini, scored a triumph for his coalition government Monday when he headed off a major conflict between employers and unions that could have meant national strikes.

Mr. Spadolini, leader of the small Republican Party, went straight from his swearing-in to five hours of talks with the employers' federation, Confindustria, and trade union leaders.

Confindustria said later it would not cancel existing agreements with the unions on *scala mobile*, or inflation-linked wage increases, thus averting a major dispute between Confindustria and the three big union federations. Union leaders had said they would call national strikes if the agreements were canceled.

Confindustria indicated earlier this month that it wanted to abandon the agreement, blaming it for

spiraling labor costs. But a spokesman said the employers would stand by the agreement, as "the meeting gave us what we wanted — the prospect of talks on the whole problem of labor costs, *scala mobile* included."

### Other Decisions Must Wait

Mr. Spadolini, 56, Italy's first non-Christian Democrat to serve as premier since 1945, said further talks on labor issues would have to wait until after his government had

### Greek Man Kills 7, Self

TRIKALA, Greece — A young Greek man went berserk early Monday and killed seven persons before committing suicide, according to police in a village near Trikala in central Greece, Spyros Stariada, 33, shot and killed his parents, his grandparents, an aunt, an uncle and a neighbor. He also seriously wounded his wife.

passed its first vote of confidence in parliament.

With the coalition commanding a 108-seat majority in the lower house, there seemed little cause for worry. Mr. Spadolini, accompanied by Foreign Minister Emilio Colombo, flew late Monday to Luxembourg for a meeting with other European Economic Community leaders.

The premier's handling of the labor talks won praise from union leaders. "This meeting with Spadolini was useful because it allowed Confindustria to emerge from a blind alley," said a spokesman for the General Union of Italian Workers, a Communist federation.

A leader of the moderate Italian Workers Union said, "It was important to get off on the right foot, and it was significant that the government's first move was to clear the atmosphere between workers and employers."

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# Delegate Selections for Polish Congress Seen as Victory for Party Leader Kania

WARSAW — Almost all of the Communist Party's leaders in Poland have become delegates to next month's emergency party congress in what political analysts see as a boost for party leader Stanislaw Kania.

Mr. Kania, reacting to warnings from the Kremlin that the situation in the country was getting out of control, called on the caucus sessions everywhere to send the leadership intact so that it could be judged at the congress starting July 14. Three weeks of elections which ended Sunday produced almost 2,000 delegates to the important sessions, at which the delegates are

empowered to elect a new Central Committee, which in turn elects a new Politburo that will consider major labor and social reforms.

The only casualties in the present 11-man Politburo were Gerard Gabrys and Zygmunt Wronski, both appointed last April in a fanfare of publicity as representatives of the workers. Mr. Wronski, a former worker in a Warsaw tractor plant, withdrew after factory militants disowned him and Mr. Gabrys, a former coal miner, was rejected by the mining region of Katowice after he became associated with the so-called "Katowice forum," a hard-line group praised

from Moscow but with little support at home.

Most members of the Politburo and Central Committee secretariat were returned, including leading hard-liners Tadeusz Grabski in Konin, Andrzej Zabinski in Katowice and Stefan Olszowski in Warsaw. Under new voting procedures — the most liberal in the Eastern Bloc with secret ballots and multiple candidates for the first time — several top officials had a hard fight.

Others failed. These included the party's new press and propaganda chief, Leslaw Tokarski, who was rejected in voting in Poznan.

The congress is expected to ratify the process of political, social and economic reform that began with worker strikes and the formation of Communism's first independent trade union last autumn. The delegates could end up electing a completely new Central Committee and making it the supreme authority in the party, and all Politburo decisions would have to be approved by it. At present the Politburo, although in theory subordinate to the Central Committee, is in fact the supreme authority in the land.

Most of the delegates were described as standing in the middle of Poland's political spectrum.

# Sandinistas Halt Escape Attempt

MANAGUA — Sandinista troops killed 19 prisoners and wounded 29 in crushing a break-out attempt by former members of the National Guard of the deposed dictator, Anastasio Somoza, the government has announced.

One government soldier was wounded in the shootout Sunday at the Nicaraguan Rehabilitation Center 8 miles (12.8 kilometers) east of Managua, according to an Interior Ministry communique.

Hundreds of former members of Gen. Somoza's National Guard have been held in the prison since the leftist Sandinista guerrillas took power in 1979 following the civil war.

# Pakistani Parties Call For Anti-Zia Protests

KARACHI — Pakistan's banned political parties called on Monday for protest meetings next Sunday to mark the start of the fifth year of military rule by President Mohammed Zia-ul-Haq.

A statement by the Movement for Restoration of Democracy, which groups eight of the country's main political parties, said the meetings would also protest the detention of political prisoners and recent food price rises.

# IRA Inmate Joins 7 Others In Strike at Belfast Prison

BELFAST — An eighth inmate at the Maze prison began a fast Monday as one of the hunger strikers was reportedly near death after 52 days without food, spokesmen for the Irish Republican Army said.

Laurence McKeown, 24, an IRA member who is serving a life sentence for four bombings and the attempted murder of a policeman, refused breakfast Monday morning to begin his fast, the H-Block Information Center said, adding that Joseph McDonnell, who replaced the late Bobby Sands on the fast, was "fast approaching death."

**Denktash Wins Re-Election as Cyprus President**  
NICOSIA — Raouf Denktash, the rightist president of the self-proclaimed Turkish Cypriot Federated State (TCFS), was proclaimed the winner Monday for a second five-year term in the presidential election.

Mr. Denktash, who was elected president with a 76-percent majority in 1976, won only 53 percent of the vote Sunday in a fight contested by a total of five candidates.

His nearest rival, Ziya Rizki, of the Communal Liberation Party, who is also a rightist, polled 30.43 percent of the vote, while Ozker Ozgur of the leftist Communist-leaning Republican Party gained 12.75 percent.

Incomplete results of simultaneous elections for 40 members of parliament of the TCFS showed Mr. Denktash's National Unity Party leading with 44 percent of the vote.

The parliamentary election is contested by seven political parties, four rightist and three leftist, fielding a total of 230 candidates.

Charles Haughey said in Dublin it was in the interests of Anglo-Irish relations to find an immediate solution to the H-block crisis now.

Mr. Haughey, who is expected to be replaced as premier Tuesday by Fine Gael party leader Garret Fitzgerald, said Britain had "a primary responsibility" to solve the problem immediately, "not only because of the situation in Northern Ireland but in the interest of future relations between our two countries."

**'Like a Skeleton'**  
He said the consequences of more deaths at the Maze were "so serious and far-reaching that a solution must be found and I am convinced that the time to find such a solution is now."

Four IRA prisoners died of self-imposed starvation in May and Mr. McDonnell's wife told a rally in Belfast Sunday that her husband was sinking fast, was almost blind and had lost 98 pounds (44.5 kilograms).

"He was like a skeleton when I saw him a few days ago," she said. "He could not see myself or his children. His eyes were sunk in his head and his teeth were protruding."

Mr. McDonnell, 30, began his hunger strike on May 9, four days after Mr. Sands died from a 66-day fast. The next hunger striker, Kieran Doherty, 25, joined the hunger strike May 22 and six others followed at regular intervals.

Mr. McKeown, of Randalstown, County Antrim, 20 miles (32 kilometers) northwest of Belfast, was sentenced in April, 1977, and sent to the long Kesh prison complex where he immediately joined the so-called blanket protest.

The hunger strikers' five demands are for unrestricted association with inmates; wearing the clothes of their choice; right to refuse prison work; extra visits and letters, and an automatic 50-percent reduction in prison sentences for good behavior.

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- fastest time-to-climb to 9,000 meters (29,786 ft.) in 8 minutes 08 seconds
- fastest time-to-climb to 12,000 meters (39,629 ft.) in 14 minutes and 00 seconds
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# U.S. Forces Reportedly to Seek Widened Powers to Retaliate

By Richard Halloran  
New York Times Service

WASHINGTON — Secretary of Defense Caspar W. Weinberger has instructed the armed forces to acquire the capacity to launch a conventional retaliatory strike against the Soviet Union wherever it would be to the United States' advantage, according to senior Pentagon officials.

The officials said that Mr. Weinberger, in one part of his first full-scale policy guidance to the military services, had ordered them to prepare contingency plans, train forces and acquire weapons to enable them not only to counter a Soviet attack in one place but also to strike back in another.

"If the Soviet Union attacks somewhere," one official said, "we might well choose arenas for our response where we have the advantage."

The recently completed policy guidance, the basic document governing the preparation of the military budget for the fiscal year beginning in October, 1982, hardens

and refines concepts that have been debated by Reagan administration officials since last November's election.

Immediately after Mr. Weinberger and his associates took office in January, they revised the Carter administration's military budgets for 1981 and 1982 but did little more than add money to programs already under way.

The 1983 budget, therefore, provided the first opportunity for the new administration to put its own imprint on military policy. Senior administration officials said that a significant new feature was the concept of responding to a Soviet threat not just where it occurs but also in other parts of the world.

**Major Proposals**

The officials said these were the main points of the policy guidance:

- The administration will seek a 7 percent annual growth in military budgets after inflation. That would bring the 1983 military budget to about \$260 billion, compared with \$222 billion in 1982.

- While expanding the strategic nuclear deterrent, the administration will emphasize preparations for a long conventional war.

- The military will prepare for worldwide war in which operations in one region are planned in conjunction with operations in other theaters, eliminating the concept, followed by several earlier administrations, of wars limited to one region.

- Greater emphasis will be given to intelligence and warning systems to alert the armed forces to conventional or nuclear attack and to communications apparatus to enable the president and senior officers to move forces forward when a threat appears and to withdraw them quickly when it recedes.

- While new weapons will be developed and bought, more emphasis will be given to getting present weapons and equipment ready for battle and to stockpiling the ammunition, fuel and other supplies to sustain a long fight.

- Particular attention will be given to building ships and aircraft that would enable the armed forces to project power to remote regions and to send ground forces there.
- The administration will give priority to rebuilding the industrial base to manufacture weapons and equipment. Officials said that Mr. Weinberger planned to name a prominent industrialist soon to lead this effort.

### First Strike Barred

The officials said the policy guidance reaffirmed the longstanding nuclear strategy of precluding a first strike against an adversary. But it added a new requirement, that U.S. nuclear forces be strong enough not only to survive an attack and to retaliate but also to retain a capacity for further deterrence.

The policy guidance also instructed the military to prepare to combat terrorists, to fight chemical warfare and to explore possible military advantages in space.

The policy guidance was drawn up under the supervision of the newly reconstituted Defense Review Board, headed by Deputy Secretary of Defense Frank C. Carlucci. Composed of senior officials in the Defense Department, it is, in effect, the department's executive committee.

The policy guidance also said that the Reagan administration would insist that West European allies and Japan contribute substantially more to the common defense.

The Reagan administration will seek large increases in military aid to Egypt, Turkey, Saudi Arabia and other nations. Senior officials contended that, despite congressional objections, such assistance was an economical way to build forces to oppose Soviet expansion.



A man identified as Giuseppe Santangelo, at right, was arrested after guards said that he had tried to bomb St. Peter's Basilica.

## Man Is Arrested During Attempt To Explode Bomb in St. Peter's

United Press International

VATICAN CITY — Vatican guards arrested a man Monday as he tried to set off a bomb inside St. Peter's Basilica, police reported. They said the guards spotted the man as he lit the fuse of the bomb, a metal tube packed with explosive and lead pellets.

The guards put out the flame and police took the man into custody. Police said the man, tentatively identified as Giuseppe Santangelo, 54, of Salerno, appeared to be mentally unbalanced. He was held at a police station near the Vatican without charges, pending a check on his identity.

The attempted bombing was the first reported in the Vatican. On May 13, Pope John Paul II and two American women were

wounded in an assassination attempt against the pope in St. Peter's Square.

The bomb incident took place at mid-morning when there were only a few tourists and pilgrims in the basilica. Police said the suspect was standing near a statue in the nave when guards saw him light the fuse to the bomb, which was wrapped in a newspaper.

The man was handed over to Italian police under the 1929 concordat that stipulates that the Italian police handle crimes inside the Vatican.

## Regime Resigns In Indian State

Reuters

NEW DELHI — The government has resigned in India's northeastern state of Assam, where nearly 300 people have died in anti-immigrant violence.

The state's chief minister, Mrs. Answara Taimur, a member of Prime Minister Indira Gandhi's Congress-I Party, resigned Sunday after several leftist groups decided to withdraw support for her minority government.

The resignation coincided with the departure of anti-immigrant leaders for talks in New Delhi on their demand for the expulsion of illegal immigrants.

# Boeing Briefing Congress and Pentagon On Its Smaller Alternative to MX Missile

By Walter Pincus  
Washington Post Service

WASHINGTON — Boeing, concerned that the giant MX missile system may be in trouble, has begun briefing members of Congress and officials at the Pentagon on an alternative system — a small intercontinental ballistic missile that the company says it could build and begin deploying by the end of 1986.

Congressional opposition to the ambitious and expensive MX system continues to build, and its future is far from certain. "It looks like the king might die," a key Senate aide on military matters said recently in describing the MX situation. "So it's not surprising that companies are pushing other contenders forward."

But while Boeing is promoting what its own briefing book, obtained by The Washington Post, calls the "SICM" (for small ICBM), it is not eager to discuss the MX alternative publicly. "There is no way company officials will discuss the small ICBM," a Boeing spokesman said.

The company's hesitancy may stem from the propriety of Boeing, a major MX contractor, pushing an alternative to MX. Another possible reason for its reticence is that the Boeing official most responsible for developing its SICM concept, Thomas K. Jones, has just joined the Reagan administration as deputy undersecretary of defense for research and engineering for strategic and theater nuclear forces.

### Competitors Upset

Mr. Jones was not available for comment, but colleagues said he had to be pressured into leaving Seattle and will not participate in any Defense Department discus-

sions about whether the Pentagon picks up the Boeing proposal. Meanwhile, Boeing's effort has angered its competitors. Officials of Martin Marietta, perhaps the biggest MX contractor, are angry about Boeing's promotion of its small ICBM concept, according to one source.

The idea of building several thousand single-warhead, small intercontinental missiles — rather than hundreds of MX missiles with 10 warheads each — has been around for a long time, although the idea never had much support.

"But suddenly the Boeing small-missile program is being discussed with interest at the highest government levels," one congressional military expert said last week. "That's because the Pentagon and the White House are looking for something other than the MX."

And one Pentagon official said last week that "there's a certain trendiness" to the SICM idea.

### Limited MX Role

A commission appointed by Defense Secretary Caspar W. Weinberger to search for an alternative basing plan for the MX has been thoroughly briefed on the Boeing SICM, and informed sources said several of its members were very impressed.

As the manufacturer of the 1,000 Minuteman missiles that are now the backbone of the U.S. strategic land-based force, Boeing has always wanted to develop the follow-up system. Its role on the MX, however, has been limited to developing a transportable launcher associated with the mobile basing system of the giant missile — not the missile itself.

While the Pentagon — under former President Jimmy Carter — and the Air Force worked, begin-

ning in 1977, to develop the MX and the controversial multiple-shelter protection plan for Utah and Nevada, Boeing's strategic missiles organization worked at designing concepts associated with a smaller missile that could be based on existing military facilities.

What Boeing has come up with is a missile that is 38 feet (about 12 meters) long and weighs about 22,000 pounds (10 metric tons) as compared to the MX, which is to be about twice that long and about nine times heavier. Boeing proposes to build 3,350 of the smaller missiles, each armed with one warhead. The Carter administration planned 200 MX missiles, each of which would have 10 warheads for a total of 2,000.

As more and more opposition emerged to the MX basing plan, Boeing fashioned several alternative ways of deploying the small missile, each of which would overcome problems encountered by the MX.

Boeing has worked out two mobile basing schemes. One, called the "road mobile," calls for the missile to be on a truck, parked during non-crisis periods on military bases. In a crisis, the mobile launcher would drive to a "pre-surveyed roadside site" from which it could fire its missile.

Another version of that, called the "beehive concept," has the truck launchers parked on a base and the warheads stored together at another hardened site. At crisis time, the launchers and the warheads are mated and driven to launch sites.

## Gunman Killed In Atlanta Siege

New York Times Service

ATLANTA — A gunman who forced his way into the headquarters of the Federal Bureau of Investigation and took about a dozen employees hostage for several hours was killed in a shootout with local and federal officers, authorities said.

Two of the employees held hostage reportedly suffered leg wounds in the shootout Sunday. John Glover, special agent in charge of the FBI office here, said no positive identification of the dead man was available. He refused to identify the two wounded employees.

Mr. Glover said the heavily armed man entered the Federal Building Sunday morning and took the building guard and the FBI employees hostage. Agents tried to negotiate with the man for more than two hours, Mr. Glover said, but failed. It then was "necessary to terminate the hostage situation and that was done," he said.

## NAACP Hears Reagan Defend Slashes

United Press International

DENVER — President Reagan told the NAACP on Monday that his economic program will lead to "black economic freedom" and said Democratic criticism of his spending cuts is either political demagoguery or just plain ignorance.

In a speech prepared for the 72d annual convention of the National Association for the Advancement of Colored People, Mr. Reagan insisted his administration is "not repealing the gains of black people" but is seeking new ways to attain greater economic equity.

He spoke of what he called "a disturbing recurrence of bigotry and violence" in the United States and promised, "My administration will vigorously investigate and prosecute those who by violence or intimidation would attempt to deny Americans their constitutional rights."

### While saying that he believes

voting is "the most sacred right of free men and women," Mr. Reagan did not say what his stand will be on extension of the Voting Rights Act. He indicated to reporters Sunday that he would seek some changes in the law.

"The well-being of every other American — is linked directly to the health of the economy," the president said. "We will not concede the moral high ground to those who show more concern for

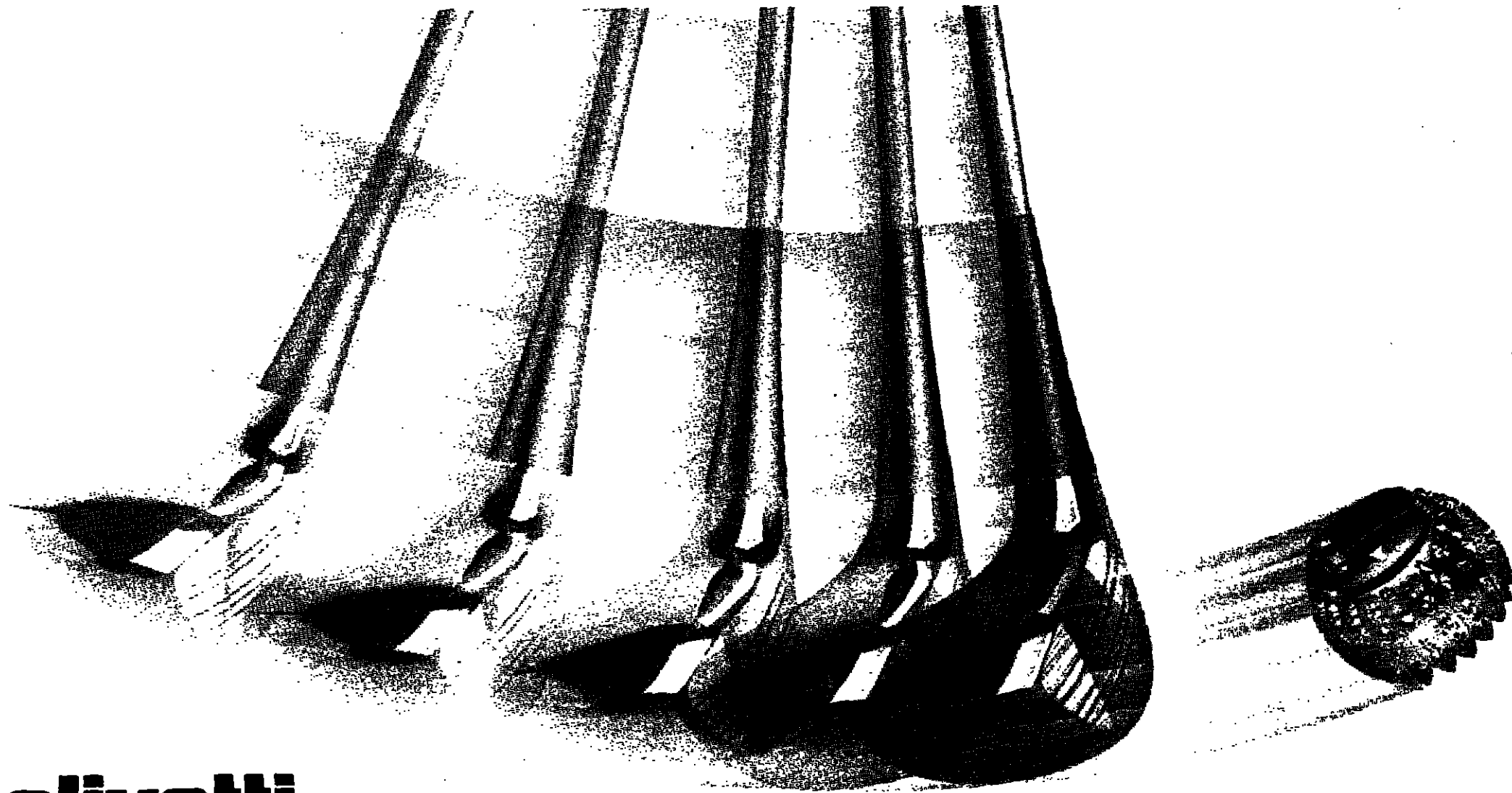
federal programs than they do for what really determines the income and financial health of blacks — the nation's economy.

"I know that you've been told that my proposal for economic recovery is designed to discriminate against all who are economically deprived. Those who say that could simply be confused by the misstatements that have been made by some who are either ignorant of the facts or those who are practicing, for political reasons, pure demagoguery."

### Philippine Blast Kills 7

The Associated Press

MANILA — Seven children in Cebu City in the central Philippines were killed Monday when a grenade they were using as a toy exploded, the Philippine News Agency reported.



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# Iraq's Hussein Seeks Better U.S. Relations

By Edward Cody  
Washington Post Service

WASHINGTON — President Saddam Hussein of Iraq, adding to signs of increased moderation in Baghdad, has said that he is interested in expanding diplomatic contacts with the United States despite Israel's use of U.S.-made aircraft to bomb an Iraqi nuclear reactor.

Mr. Hussein's remarks, in a U.S. television interview Sunday, occurred against a backdrop of extraordinary U.S.-Iraqi cooperation 10 days ago in negotiating a UN Security Council condemnation of Israel for the bombing of the reactor June 7.

They also included two careful refusals to reiterate longstanding Iraqi rhetoric calling for replacing Israel by a secular state, and they seemed to be part of a calculated emphasis on conciliatory positions to gain as much international good

will as possible, particularly in the United States, following the attack on the reactor.

"American leaders have expressed their wish to develop relations and to give them an opportunity for Iraq to be sure that they are now thinking with a new mentality toward issues regarding the Arab nation and the Arabs in general," the Iraqi leader said. "So we are giving ... them a part of this opportunity by moving the diplomatic relations further through the official meetings of the American charge here, and to treat him as a head of a diplomatic mission."

Iraq severed diplomatic relations with the United States after the 1967 Middle East war. But U.S. diplomats work in Baghdad in a U.S. interests section, technically under the Belgian Embassy, and Iraqi diplomats work in Washington in an Iraqi interests section of the Indian Embassy.

Despite his otherwise encouraging words on U.S.-Iraqi relations, Mr. Hussein repeated Iraqi suspicions that the United States knew in advance of Israeli plans to bomb the reactor, saying, "the question mark is very big here."

Mr. Hussein was speaking in Arabic and his remarks were translated simultaneously into English for what was said to be his first interview on U.S. television.

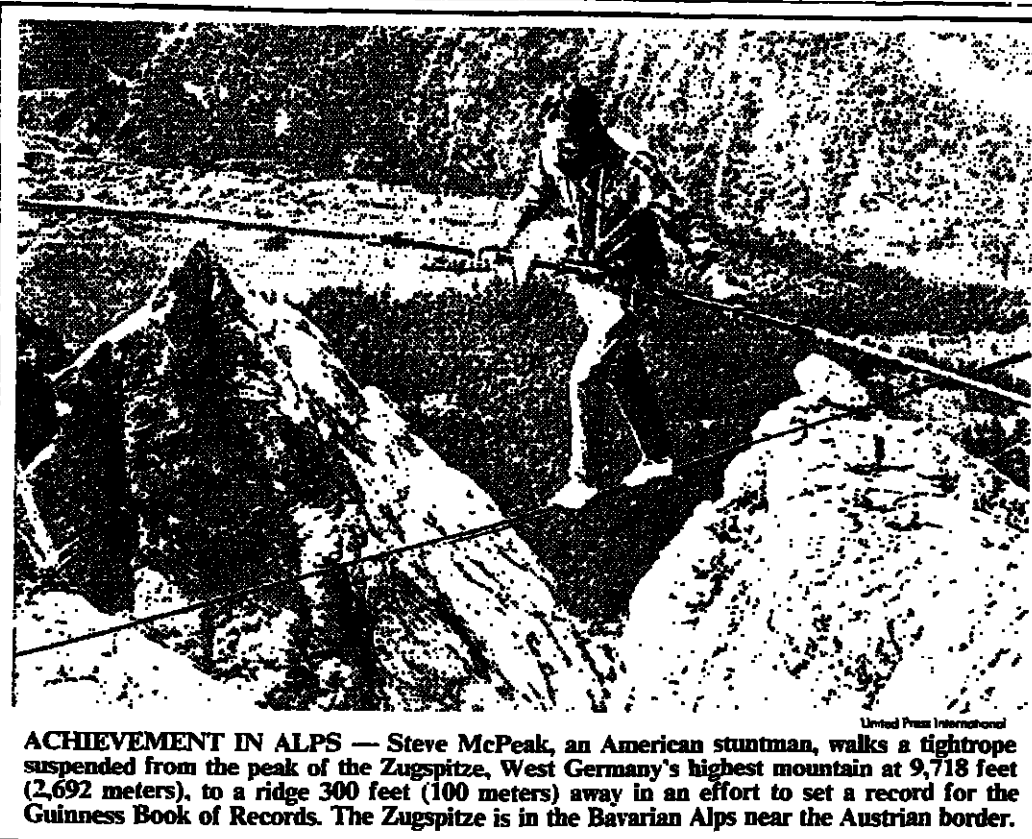
The Iraqi leader insisted that the French-built Osirak reactor near Baghdad was not part of an effort to develop nuclear weapons. Mr. Hussein recalled that scientists from France and the International Atomic Energy Agency have supported Iraq on this point.

At the same time, Mr. Hussein reiterated his call last week for an Arab nuclear weapon to enable Arab nations to deter Israel from use of nuclear weapons against them, saying, in the words of his interpreter:

"That is to establish balance between the Israeli bomb, which Israel now actually possesses, and what with the Arabs not possessing any such weapon that will make Israel hesitate before using her nuclear arms against Iraq."

On the existence of Israel, President Hussein avoided the traditional Iraqi insistence on dismantling the Jewish state. In an apparent effort to soften the public definition of Iraqi policy by reducing its clarity, he said:

"I am saying clearly that the Arabs must not accept that they should be ruled by the Israeli law ... How the future will be as to how, and how this entity [the Israeli state] is going to be, or what potential does this have, how the Jews and Arabs will coexist without any aggression or usurpation, or oppression, this is something left for the masses, the people to decide."



ACHIEVEMENT IN ALPS — Steve McPeak, an American stuntman, walks a tightrope suspended from the peak of the Zugspitze, West Germany's highest mountain at 9,718 feet (2,992 meters), to a ridge 300 feet (100 meters) away in an effort to set a record for the Guinness Book of Records. The Zugspitze is in the Bavarian Alps near the Austrian border.

# After 14 Years in an Algerian Prison, Ex-President Ben Bella 'Not at All Bitter'

The Associated Press

PARIS — Ahmed Ben Bella, the former Algerian president who was overthrown in a 1965 military coup and imprisoned for 14 years, said in an interview published here Monday that although he had suffered and feared for his life, he was not bitter.

Mr. Ben Bella, who was allowed to travel outside Algeria this month for the first time since the coup, said in an interview with the Paris newspaper Liberation that President Bendjedid Chadli of Algeria intervened to free him from prison.

"No, I am not at all bitter," Mr. Ben Bella said during what was termed a private visit to Paris. "Rancor, vengeance, resentment

— those feelings don't exist in me."

Asked if he feared for his life during the long imprisonment, Mr. Ben Bella said: "Continuously. But you know, I lived in danger all my life. Danger is clothing that one gets used to wearing."

Except in general terms, he refused to discuss his plans or talk about present-day Algeria. "I am a militant," he said. "I defend my ideas, I am politically involved. But it is not power that interests me. The great problems that must be fought — racism, imperialism, colonialism, famine — depend in the end on the emergence of a new world order."

Mr. Ben Bella, 62, the revolutionary leader who formed Algeria's first regular government a year after independence was won from France in 1962, was overthrown in a coup led by Col. Houari Boumedienne in June, 1965. Mr. Ben Bella was released from prison in July, 1979, but kept under house arrest until last October. He was given a passport earlier this year and has since journeyed on a pilgrimage to Mecca.

Asked how he spent his 14 years in prison, Mr. Ben Bella said he read, wrote and reflected, both on his own mistakes and on the future of Algeria.

"I had the time," he said, "I was able to deepen all sorts of ideas and rethink the experience that I lived in the fight for the liberation of Algeria, before independence and after. I tried to keep informed

as well as possible about the evolution of the world."

Despite his years in prison, Mr. Ben Bella has reportedly remained popular in Algeria. Since his release, former associates as well as many who never knew him have visited him at his home. And on occasional trips to rural villages, he has been swamped by well-wishers, he said.

"Sixty-five percent of the Algerians were not born June 19, 1965 [when he was overthrown] but 90 percent of my visitors are young. Don't forget that there has been a veritable wall of silence around me. My name was erased from the history of the country. But the few in the process of being lifted. Youth is hungry to know, to reappropriate our history."

# 7th Army's Worries Shifting to Women In Combat, Educational Shortcomings

By Drew Middleton  
New York Times Service

FRANKFURT — "The personnel policy of the Army for several years regarding the assignment of women has made their presence throughout the battlefield, with attendant risks, a reality."

This conclusion to a fact sheet issued by the 3d Armored Division in West Germany is one aspect of the U.S. Army's attempt to learn how to use the men and women serving in it.

A support group commander estimated that of the 530 or so women in his command, about 9 percent are pregnant at any given time and that about half of the pregnant women are single.

Many of the soldiers coming to the 7th Army in West Germany from training in the United States cannot read or write or do simple arithmetic, which means that they cannot understand even the now-simplified training manuals.

There is a shortage of middle-grade noncommissioned officers and a conviction among their superiors that the Army has overemphasized technical qualifications at the cost of leadership at this level.

Many officers believe that the volunteer Army has failed to provide a cross section of U.S. society. "We are not drawing soldiers from the middle class," a commander said.

There are reports from the recruiting command in the United States, however, that the percentage of high school graduates enlisting in the Army has risen appreciably since last October.

This may calm many officers who are worried about the kind of Army that will be fielded later in this decade. Plans to revise the divisional structure under a program called Division '86 appear to demand a better-educated Army with

better medium-grade noncommissioned officers than those now serving in West Germany and in the United States.

Maj. Thomas H. Jackson, deputy of the personnel section of the 3d Armored Division, explored the distribution of female soldiers on a typical battlefield. He found that, of the division's 1,060 women, 936 would be in the "area of operations."

The divisional surgeon's office estimated that, in a "mid-intensity environment," the division could expect casualties at a rate of 10 percent for units in the combat area. Based on that estimate, a division could expect 90 to 170 female casualties in the first three days of combat, and about one-third of these would be fatal.

The report said there was a "strong possibility that some of our female soldiers would become prisoners of war."

The division does not station women with forward armored and armored infantry units. But the report noted that "female soldiers are, in fact, positioned well forward in the battle area" and "play a vitally important role within the division sector."

2 Other Concerns  
There is little disposition among senior officers to dispute these findings. Their concerns are in two other fields.

One is the impact on male soldiers of seeing a female soldier taken prisoner or disintegrating under shellfire. What senior officers ask would that do to discipline and morale?

A second, more far-reaching question centers on whether the Army has used female soldiers in the most efficient way.

"About 40 percent of one medical unit are women," a staff officer said. "A lot of them are litter bearers. We've found that women do not have the upper body strength to carry wounded to safety in the required time. They're willing. God knows, but the strength isn't there."

Another officer said that, as military police, women would be taking on assignments beyond their physical abilities.

Racial friction is no longer the problem in the 7th Army that it was five or six years ago, although about 30 percent of the command is drawn from minority groups, mainly blacks, and some units are more than 50 percent black.

Little in Common  
Most of the black soldiers are from cities of 250,000 or more, while the majority of the white soldiers are from smaller cities and rural areas. The two groups thus have little in common.

"On duty they have no problem getting along," an armored infantry officer said. "The polarization ... starts when they're off duty." Unit commanders reported few racial incidents.

Drug use among soldiers in the 7th Army has declined sharply, while alcohol abuse has risen.

The educational skills of many soldiers are a problem. The commander of a mechanized infantry battalion said that of the 760 men in his battalion, 184 "can't read or add." He rotates 20 to 30 of these soldiers to school, which means that they fall behind in their combat training.

Despite these difficulties, senior noncommissioned officers find most of the new soldiers easier to train than those who entered the Army five years ago.

# U.S. and Egypt Sign Accord on Sale of Reactors

United Press International

WASHINGTON — The United States and Egypt Monday signed an agreement on nuclear cooperation under which the Egyptians may buy two large reactors to produce electric power.

The agreement, which can be overruled by a majority of both houses of Congress, grew out of an informal commitment by former President Richard M. Nixon in the closing days of his administration in 1974 in which he offered nuclear assistance to both Egypt and Israel.

Israel decided in 1979 not to join the arrangement, which would have required that its nuclear installations be subject to international safeguards and inspections. As a prelude to Monday's agreement, Egypt signed the Nuclear Non-Proliferation Treaty in February.

Secretary of State Alexander M. Haig Jr., who signed the agreement for the United States, called it "a model ... precisely the kind of agreement that we need in the Middle East."

The agreement is part of an Egyptian program which eventually will cover eight reactors that will provide 30 percent of the country's electrical power. The United States will not provide any direct financial aid for the purchase of fuel and the equipment.

# Riptides Hit California

The Associated Press

LOS ANGELES — Southern California lifeguards pulled about 3,000 persons to safety as riptides caused by rough seas made weekend swimming hazardous, officials said. No drownings were reported.

# Canaries Crash Said Due to Pilot's Error

The Associated Press

MADRID — Official investigators have concluded that pilot error was the cause of the crash of a British Dan-Air Boeing 727 charter jet that hit a mountain last year in the Canary Islands, killing 146 persons, it was reported Monday by the Spanish news agency.

Claiming access to the unannounced report, the agency said investigators had concluded the pilot did not follow the correct landing route and did not maintain proper altitude in heavy cloud cover in April, 1980, on a flight from Manchester, England.

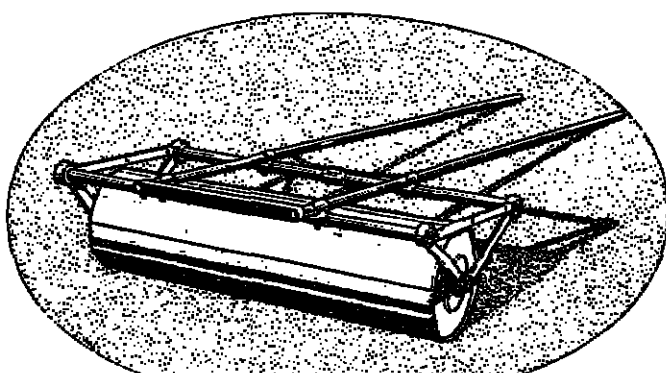
# New Jersey Planning New Bear Population

The Associated Press

CHATSWORTH, N.J. — State wildlife officials, under a plan to start a bear population in New Jersey, are planning to reintroduce 300-pound bears to the southern part of the state, despite complaints from berry farmers and beekeepers who claim their crops will be endangered.

"Sure they'll release the bears on state lands, but come on now, bears don't read signs," said Stephen Lee, who farms blueberries and cranberries. "They'll soon wander to the private lands."

# Everyone at Wimbledon now uses a Rolex.



The pony roller. Too wide to be removed from any Centre Court exit!

It is rumored that The Championships of The All England Lawn Tennis and Croquet Club were started in order to raise funds for the repair of the Club's pony roller. The roller at that time was used to maintain the croquet lawns.

What is certainly true is that, on Monday, 9th July, 1877, the 22 entrants assembled at the Wimbledon courts in Worple Road for the Men's Singles Championship (the only event).

From such inauspicious beginnings developed the most prestigious tennis championships in the world. The championship every player dreams of winning; then dreams of winning again.

In those far-off days of the early 1870s much was done to popularise the new game by a Major Wingfield who offered for sale a boxed version of the game. It was marketed under the unlikely name of "Sphairistike."

At various country houses up and down Britain, croquet rapidly went "out" and lawn tennis or "sticky", as it was

nicknamed, was "in." Thus, those first Wimbledon Championships were a natural reaction to a fast-growing game that was virtually unheard of ten years before.

Yet that first pioneer committee did far, far more than simply set up a tennis tournament.

For the first time, the size and shape of the court; the position of the service lines together with the height of the net were set down in writing. Except for minor adjustments over the next three years, these dimensions remain the same today.

But many would say that the committee's greatest achievement was the new scoring system. (Previously the racquets method of scoring was used.)

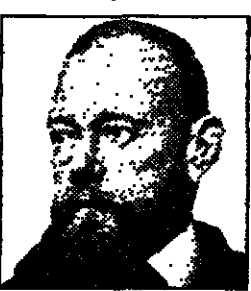
This system brought periods of heightened tension and points of high drama to the game. And no-one has ever improved on it.

In modern times, The All England Club did much to bring about open tennis in the late sixties.

For some time both The All England Club committee and the Lawn



Major Wingfield, the "inventor" of Lawn Tennis.



Spencer Gore, The first men's singles champion of 1877.



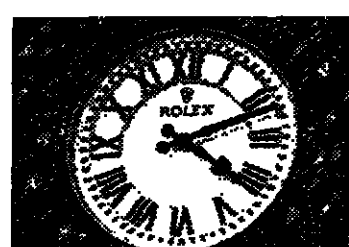
Helen Wills (Moody), Eight times ladies' singles champion in the '20s and '30s.

Tennis Association had wanted to bring an end to the increasingly hypocritical sham of the "amateur." A distinction which meant that some of the world's greatest players who had declared themselves professional could not, under existing International Lawn Tennis Federation rules, compete at Wimbledon. Finally, the I.L.T.F. yielded to British pressure and Wimbledon became truly open once more in 1968.

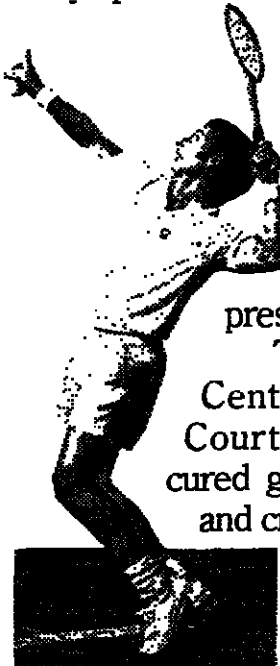
Superficially, Wimbledon today looks much as it must have done in the 'twenties (when the tournament, having outgrown its original venue, moved to its present site in Church Road).

The cavernous arenas of Centre and Number One Courts. The perfectly manicured grass. The strawberries and cream. Yet while Wimbledon has always been very conscious of its traditions, it has always reacted quickly and progressively to the ever-evolving needs of the game, the players and spectators.

And times have changed at Wimbledon. The Rolex Watch Company of Geneva have been asked to replace and update the entire Wimbledon time-keeping system. Throughout the grounds, 22 clocks have been replaced. On court, digital clocks inform



Changing times at Wimbledon.



The Australian master, Rod Laver.

spectators of both the time and the duration of the match. The entire system is controlled to an extreme degree of accuracy by radio signals transmitted from Geneva.

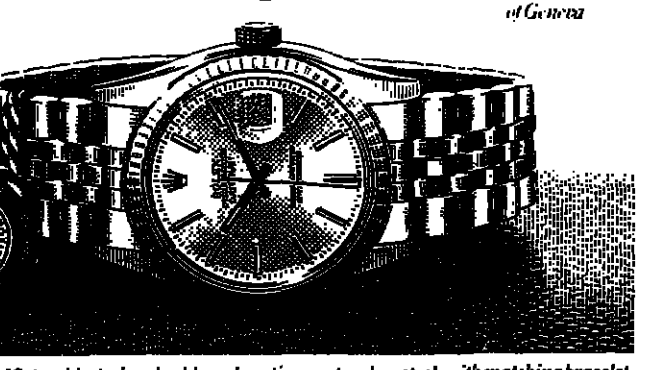
But not only spectators rely on Rolex for perfect timing. Many of the world's top players choose a Rolex Oyster as their personal timepiece.

Its tough, rugged construction (it takes 162 separate operations to carve an Oyster case from a single block of metal) provides more than adequate protection for its precision movement against the power and controlled violence of the modern game.



Perfect timing on the Centre Court.

One thing about Wimbledon, however, will never change. The winner on the day will be the player with the determination, strength, and immaculate timing.



ROLEX of Geneva

The Rolex Datejust Chronometer. In 18ct. gold, steel and gold combination or stainless steel, with matching bracelet.



## Change, Perhaps, in Italy

There are historical changes whose meanings are fairly obvious, or if not, at least amenable to only one or two interpretations. Such was the case with the elections of Ronald Reagan in the United States and Francois Mitterrand in France. In each instance, the electorate expressed its will and a party that had been in the shadows for roughly a quarter century emerged to grasp power and attempt to set the country on a new course. It is not the case in Italy, where for only the second time since the end of World War II, someone other than a Christian Democrat has formed a government. Ferruccio Parri, the first postwar premier, was an Independent. He served for five months.

It is not clear what, if anything, the selection of Giovanni Spadolini, whose Republican Party represents a bare 3 percent of the electorate, tells us about the future of Italian politics. Nevertheless, it is a historic occasion. If nothing else, the Christian Democrats, who are still the dominant force in the country, have conceded the right of an outsider to head the government. They were prodded into doing so not by Mr. Spadolini — journalist, professor, renowned trencherman and politician-come-lately — but by Bettino Craxi, leader of the Socialist Party, who brought down the government of Arnaldo Forlani over the P-2 Masonic scandal. Mr. Craxi, whose party gained several percentage points in municipal elections last week at the expense of the Christian Democrats and the Communists, is in the wings. If Mr. Spadolini fares about as well as his predecessors have on average in the last 36 years, his Socialist colleague will have less than a year to wait.

But that's getting ahead of the game. Mr.

Spadolini has formed a government that looks remarkably like its Christian Democratic predecessor to do battle with Italy's 20-percent inflation, terrorism and scandal. It is not self-evident that he will be more successful, or even that he will be able to diverge in any significant ways from previous policies. He has spoken out in favor of a social contract between labor and management and suggests that his position as the head of a marginal party will enable him to function as an arbitrator between the Christian Democrats and other members of the government. That may be, but in the end he will have to persuade Christian Democrats or he will not be able to govern. Perhaps his strongest card is that the Christian Democrats are somewhat in tatters at the moment and would like to avoid parliamentary elections any time soon. For that reason, they will hesitate to provoke a government crisis.

Mr. Spadolini will also have to contend with the Communists. The Italian party is the largest in the West and it is second only to the Christian Democrats in Italy. The new premier has said that he will work with the Communists, but he added that it is unlikely that they will be asked to join the government. The situation in Italy is radically different from that in France, where Mr. Mitterrand commands an absolute majority in parliament and can pay his debt to the smaller French Communist Party without fear that it will run away with the government. In the meantime, a 36-year reign has been broken. No one can tell yet whether it is an aberration or a moment of critical change. Except for the premier's party, though, everything looks suspiciously familiar.

INTERNATIONAL HERALD TRIBUNE.

## Fine News About Shoes

President Reagan appears ready to eliminate quotas on shoe imports from Taiwan and South Korea. That is fine news. For while the consumers' stake in shoes may be more modest than in steel or autos, the restriction is an extravagantly expensive way to preserve jobs and profits.

The Carter administration ordered restrictions on shoe imports in 1977 to defuse congressional pressure for yet tougher restraints. Taiwan and South Korea were forced to accept four-year "orderly marketing agreements" that reduced their shipments of low-priced footwear by 16 and 19 percent, respectively. American shoe producers acknowledged that this would raise shoe prices. But the agreement, they argued, would give the domestic industry time to raise productivity and preserve American jobs.

The industry was certainly right about prices. The staff of the Federal Trade Commission estimated the 1978 increase to be

about 18 percent. But there is no evidence that domestic manufacturers made any special effort to increase productivity.

By the Commerce Department's reckoning, investment in new equipment actually declined while the agreements were in force. And although jobs were indeed preserved, the cost has been astronomical. An economist at Johns Hopkins, Charles Pearson, estimates that America's shoe bill for every job saved amounts to \$22,000 a year.

The American economy could survive another four years of such "orderly marketing agreements." Shoes are simply not important enough in the consumer's shopping bag for the higher prices to matter very much. But the symbol surely does matter. If a minor industry of no strategic importance can demand and get protection costing \$22,000 per job, who is going to say no to really important industries?

THE NEW YORK TIMES.

## Women and the Draft

The decision of the Supreme Court sustaining the constitutionality of the male-only draft registration program is hardly surprising. To rule otherwise, the justices would have had to explain away almost 200 years of history and stare down a Congress that sees the draft and registration as social and political, not constitutional, issues.

What is surprising, however, is the rationale with which the court's majority reached its decision. By implication, it sanctioned laws that bar women from participation in combat and authorize the drafting of disproportionate numbers of men and women. Since one of the principal arguments against registration of both men and women was that this would lead inevitably to a draft in which equal numbers of each sex were conscripted, the decision sets the stage for a quite different debate the next time this issue arises.

The court's rationale, as set out by Justice William H. Rehnquist, goes like this: Women are barred by law and military policy from combat. The draft Congress had in mind when it approved the 1980 registration program was one designed to produce combat troops. Therefore, Congress could discrimi-

nate between men and women because one sex was qualified to do the job it had in mind and the other was not.

Besides being somewhat circular, this argument rests on laws and policies about combat fitness that are presumed, although not ruled, to be constitutional. And it stretches the legislative history of the registration bill a considerable way to come up with a factual underpinning for what the court says Congress had in mind. Our impression is that what Congress was getting ready for was a draft, like those of the past, that produces bodies to fill non-combat as well as combat positions. If that reading of congressional intent is accurate, the explanation of this decision simply evaporates.

Be that as it may, the decision dumps the whole problem of women and the draft back in the congressional lap. By having deferred so completely to the judgment of Congress on what is constitutional in military matters, the court has come close to giving Congress carte blanche in future draft laws. The court implies that Congress could draft all men to serve in combat units while drafting one of, say, 10 women to serve in personnel posts.

THE WASHINGTON POST.

## A Smoke-Filled Argument

Just a few months ago, those of us who believe that cigarette smoking is a major public health problem clutched gleefully at the results of a study from Japan. It contended that nonsmoking wives of heavy smokers develop lung cancer at an astonishing rate; simply breathing the smoky air of the marital domicile could be half as dangerous as actually smoking.

What a boon to the anti-smoking crusaders! Smokers too foolish to quit for their own sakes might now be motivated by concern for their loved ones. Endangered spouses might rise up and force smokers to drop the noxious habit.

Alas, some American statisticians now believe the Japanese study was distorted by a

critical error in arithmetic. The issue is not yet resolved, and the Japanese scientist is sticking by his results. But it is clear that his findings are at least open to question. Meanwhile, a new study by the American Cancer Society finds that nonsmoking wives of smokers have little if any increased risk of lung cancer.

Now wives who want their husbands to quit have to go back to the old complaints — cigarette smoke smells up the house, stings the eyes, aggravates breathing problems. Beyond that, whatever smoking may do to bystanders, it kills off an enormous number of smokers.

THE NEW YORK TIMES.

## In the International Edition

### Seventy-Five Years Ago

June 29, 1906

NEW YORK — An amazing panic among the Hebrew population on the East Side this morning sent mobs of agonized men and women clamoring about a score of schoolhouses shouting that the children's throats were being cut. The story started from operations performed by the Board of Health to remove adenoid growths from the throats of several scores of backward children. Cheap practitioners started the tale of a contemplated massacre and police reserves had to be summoned to quell the rioting at the school doors. In Washington President Roosevelt approved a resolution of the two Houses of Congress expressing horror at stories of massacres of Jews told by Jews coming from Russia.

### Fifty Years Ago

June 29, 1931

PARIS — One of the most devastating and spectacular fires Paris has known for years swept a portion of the Colonial Exposition yesterday morning and destroyed the huge, exotic Netherlands building with its entire collection of valuable exhibits. Loss is estimated at \$2 million. The blaze started from a short circuit in the wiring, and was first seen by a night watchman at 4:30 a.m. By that time the great building was enveloped in smoke, and flames were beginning to lick the vast pagoda roofs and carved sides. Fifteen native Balinese dancers were asleep in the building at the time and were routed out of the burning structure. The natives fled half-dressed.



## The Real Post-Honeymoon Mandate

By Arthur H. Miller

WASHINGTON — This may go down in political annals as the Year of the Invented Mandate. Treasury Secretary Regan, defending tax cuts, says President Reagan "was elected on this basis." Vice President Bush says congressional opponents of the president's spending and tax proposals would "uhrrr the mandate of the people." Budget chief Stockman says cuts in social programs are dictated by the elections, and Nevada's Sen. Laxalt says of anti-abortion, pro-capital-punishment and other conservative causes: "That's what the election was all about. It is part of the Reagan mandate."

All this may be good politics, but it certainly is nonsense. If the administration is going to keep it up, there is little choice but to reply emphatically: That is not what the election was about. The accumulating evidence makes it quite clear that the November returns provided none of these claimed mandates. Nor did they represent the broader "historic political realignment" that some observers have suggested.

### Supposed Tax-Cut Mandate

The more limited and tentative messages of the election are clear in the findings of the 1980 American National Election Study at the University of Michigan's Institute for Social Research (ISR). These findings bear scrutiny if we are to avoid inflated rhetoric that is contrary to the majority's wishes and could lead back to deep disillusionment with the political system.

Consider the supposed tax-cut mandate. The reality, the ISR study shows, is that less than half the Republicans and independents and only a third of the Democrats who voted for Reagan favored his tax-cut proposal. He clearly was not "elected on this basis." And an ISR survey of consumer attitudes last month found only 41 percent of respondents believing they would be better off under Reagan's tax and spending program.

The same holds for the administration's across-the-board cuts in social programs. The election provided no "mandate" for this drive. The ISR study confirms other findings that voters in 1980 continued to express long-standing support for these programs. In the education area, voters even expressed a slightly increased preference for government spending, not the cuts the administration is now pushing through Congress.

Reducing outlays was not as important as some have argued in deciding the election. Less than half the Democrats who defected to Reagan expressed a desire for less government spending. Nor has a significant shift in preferences for social programs been detectable in polls taken since the election. Least of all can one find evidence of a "mandate" on abortion. In November, as for a decade, the country was firmly committed to a woman's right to have an abortion.

What *did* the election say? The vote was an extension of growing American worry about inflation, economic growth and U.S. military strength and prestige abroad — not a clear endorsement of specific means for solving these concerns.

Thus, despite Reagan's sweep of the electoral college, the 1980 election was not ideologically

logical. Ideology played a less important role in 1980 than in 1976 or 1972.

A majority of both Carter and Reagan voters favored higher military spending. But they did not view this sudden preference — a response to events in Iran and Afghanistan — as a trade-off for reduced outlays in long-supported social programs. Rather, military increases were supported in addition to domestic programs.

Administration officials argue that there is no affordable compromise between guns and butter, but voters accepted something else: candidate Reagan told them: that there is

toring health to the economy and American prestige abroad. If he does, he will no doubt be in a stronger position to promote other conservative changes and cement emerging Republican gains.

There has been an increase in persons identifying themselves as conservatives (from 37 percent in 1976 to 44 percent at the end of last year). And the South and the Mountain States have been experiencing a sectional partisan realignment. With the migration to these regions have come a larger Republican base and an increased population, giving Republicans greater clout in national elections. The ISR study shows that this population shift played a more significant role than ideology in helping Republicans win control of the Senate.

Other groups in the past decade have also shown a steady shift from the Democrats and at least a potential for increased Republican identification — in particular, Catholics and, to a lesser extent, young people. A serious political realignment, however, would face major obstacles. Relatively few people switch party allegiances; it is rather those lacking party attachments — predominantly younger persons — who present the chief opportunity for realignment, and they do not have homogeneous political views. Young independents look like Republicans in their views on certain economic programs, but their preferences on social issues lie much closer to those of the Democrats.

### Political Deterioration

If the Reagan administration should fail to fulfill the large expectations that the ISR studies show it has created — renewed prosperity, reduced inflation, less unemployment, a more equitable tax burden and greater prestige abroad — certain results are fairly predictable.

Volatility in American politics would continue and Reagan would risk joining the growing list of one-term presidents. Traditional party loyalties would suffer a further decline, accompanied by increased challenges from minority parties and independent candidates. Cries for extreme remedies would grow louder, and citizen fervor for changes in the candidate selection system and the political decision-making process might intensify.

Citizens' frustration with government failures and the feeling that voting doesn't make a difference would continue to grow. Trust in government, which the study shows sank to a historic low just before the November election, would decay again.

Perhaps most important, there might be a qualitative shift toward what appears to be a new ideology of discontent, one directed not at reform but at dismantling government and its programs, regardless of future consequences. This ideology, based on an active rejection of political institutions and of authority, could take years to reverse.

Arthur H. Miller, an associate professor of political science, is senior study director of the 1980 national election survey at the University of Michigan's Institute for Social Research. He wrote this article for The Washington Post.



## Letters

### More or Less

In Leopold Unger's article "Intellectuals Quietly Astir in Hungary" (IHT, June 23), there is a mention of the Hungarian cube puzzle with 3 billion possible solutions. As it happens, there is just one solution, but there are 43,252,003,274,489,586,000 possible positions — all but one of them wrong.

The number 3 billion was a wild estimate made by the distributors in 1979. Indeed, the early English advertising referred to over 40 million million positions. When I asked why they had left out a million, I was told that they weren't sure what the number was. A Wall Street Journal article (March 5) quotes the firm as saying they didn't put the right number in the advertising because they didn't want to scare people. By now, most of the advertising gives the correct number, but the imitation cubes have yet to catch up. DAVID SINGMASTER, London.

### Policies for Now

The IHT report (June 26) on a second public opinion poll showing another substantial drop in the support of President Reagan and a blizzard of articles and columns by Reston, Pfaff and others show that the honeymoon with the American people is at an end and that now the testing period of real compatibility has arrived.

We have discovered that, as some of us suspected all along, our susceptibility to personal charm and the nostalgic attraction of a return to a 19th-century role for government can no longer obscure the fact that life at home and abroad in these times calls for a vision of the future rather than the past. History has repeatedly demon-

strated the folly of preparing to wage future wars by policies applicable to the past, and peace might likewise be won by creative thinking which takes account of the new forces at work in the world. ALFRED E. DAVIDSON, Paris.

### Tax-Free Bush

Re the Paris visit of George Bush: If the Reagan administration, preoccupied with the four Communists in the French government, will excuse the expression, Vice President Bush was a little gauche when he presented autographed photos of himself to French officials. At least the French officials will have no difficulty with their tax inspectors over the value of the gifts. W. BALLIN, Rolle, Switzerland.

### Zia Interview

The interview with the Pakistani military ruler, General Zia, by Joseph Kraft (IHT, March 17) has highlighted the inconsistencies between Zia's words and his actions. According to Kraft, Zia conceded that nothing serious had emerged from his efforts to promote a political settlement in Afghanistan. Yet he was asking for ground-to-air missiles from the United States for the Afghan guerrillas. Obviously, the general has his own concept of political settlement.

In fact, the way Zia has used the Afghan issue to prolong his brutal dictatorship in Pakistan speaks a lot for his political concern for neighboring countries. The use of the term "president" with Zia's name can scarcely be defended, since the term implies legitimacy by some form of democratic process. The people of Pakistan have been deprived of all democratic

process under his rule. Just ask the common people of Pakistan — they have a different title for him. KHAJAN NASIR, Ski, Norway.

### Women, Combat

As an ex-soldier, I feel deeply concerned by the question of women in combat. I have no objection to them in most non-combat support situations. I would willingly serve under or alongside them in such activities. But the prospect of using them as combat troops makes me shudder. Only two Western nations and no Eastern ones are considering this seriously — the United States and the Netherlands, and both for political, not military, reasons. On the basis of recent experience in the field, the U.S. Army is having second thoughts. For modern, sub-bution, mechanized war, there are enough men.

True, war has become so technological that a feminine finger can wipe out a city as well as a masculine one. But what will be the long-term consequences to society if women are trained in large numbers, to take life instead of giving and cherishing it and preserving and transmitting civilized values? What will be the effect on women and on men themselves? Look at what has already happened since women have increasingly abdicated their traditional place and role as the gender counterweight to the innate ferocity of the male. Standards have deteriorated, violence (of which women are often the first victims) has mounted, children are disoriented. Would such a brutalized society be worth defending? AL ROSSUM, Paris.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

## Poznan: A Start Recalled

By Leopold Unger

B RUSSELS — After 25 years of a government-imposed blackout, Poland has finally been allowed to remember openly the revolt of ZISPO — the Stalin locomotive and military-material factory of Poznan.

Without victims at the Stalin plant in Poznan in 1956 there would have been no victory at the Lenin shipyards of Gdansk last year. The series of events that led to the rebirth of a national Polish identity after the Gdansk victory began with the aborted revolt in Poznan.

The workers at the ZISPO plant were restless on June 28, 1956. All 15,000 were waiting for news from a delegation they had sent to Warsaw with instructions to ask the government to cancel higher work norms that it had just decreed. The delegation was also to insist that something be done about insufficient food supplies. At 10 a.m. the answer came from Warsaw through a deputy premier. It was "No." The deputy premier added: "And if you protest, we'll send the army."

The workers decided to take to the streets. Within a few hundred yards, more than 100,000 citizens of Poznan, mainly young workers and students, had joined them in a peaceful march toward city hall. Little by little, slogans arose, then banners. At first the crowd called for "bread and justice," but quickly came demands for "liberty and independence."

### Carrying Flag

The police moved in, trying to disperse the march but succeeding only in making the protesters more determined. The march broke up to several columns. One moved on to the city prison and released all the political prisoners. Another assaulted the radio jamming system that prevented Poles from listening to Western broadcasts. Another two columns, the largest and loudest, threatened the headquarters of the Communist Party and of the secret police.

Who fired the first shot is still not known, but the first victim was Ryszard Siwiec, a 13-year-old boy who carried the national flag. It was then that the rebellion started and that the party and the police fell apart. Nothing could contain the anger of the marchers.

The army moved in. By that night, the rebellion had been put down. The human toll was heavy: 75 dead, 800 wounded and 1,000 arrested. For the party the day was a disaster; it had completely lost the confidence and later the control of the population, and it had spilled the blood of workers.

That day a gap opened between the Communist regime and the people of Poland that has never been bridged. The events of Poznan broke a barrier of fear that Poles had never dared to cross. A few years ago, a Polish philosopher called the rebellion "a short-lived but great illusion." The events of Gdansk have shown that Poznan was not an illusion and that it lives.

The words "For liberty, justice and bread: Poznan 1956" are inscribed on the base of a monument just inaugurated in Poznan. Two big columns of steel and a crossbar with the dates 1956, 1968, 1970, 1976 and 1980.

### Stay at Plant

The dates are a history lesson. Poznan was the first episode in a series of anti-totalitarian Polish national rebellions. None of these movements succeeded fully, but none was a total failure; each left a mark and each was a dramatic but necessary step toward the Poland of today, that of Solidarity and hope.

It was the experience of the Stalin factory that showed the workers of the Lenin shipyards that they should not go out in the streets, but stay at the plant and occupy it. The lesson of 1956 and of the other rebellions that followed made it clear to the workers of 1980 that they should not let themselves be seduced by the promises of the Communist Party.

Today, as in 1956, the Kremlin uses threats against Poland when reforms follow a worker rebellion and when the Communist Party wakes up to the fact that it cannot govern against the people's will.

In 1956, the Central Committee of the Soviet Communist Party sent a warning to Poland against "specialist plot and revisionist subversion in the country." This year Moscow sent a letter ultimatum using the same terms and the same threats.

Yet there is a difference. In 1956, the party succeeded in fooling the workers and swallowing up the reform movement. It cannot do that today. Wherever the current reform movement may lead, the trend of events in Poland cannot be reversed. Poland will never again be so it was between Stalin of Poznan and Lenin of Gdansk. ©1981, International Herald Tribune.

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# Soviet Agriculture Seen Still Suffering From Brutal Legacy of Stalin's Policy

By Kevin Klose  
Washington Post Service  
MOSCOW — It is an irony of history that the Soviet invasion of Afghanistan, which triggered former President Jimmy Carter's grain embargo against Moscow, began 50 years to the day — Dec. 27, 1979 — after Stalin announced his "policy of liquidating the kulaks" or private farmers and soon launched the systematic destruction of Soviet agriculture.

The decree that followed the dictator's decision in 1929 brought a four-year reign of terror to the Soviet countryside, transforming what had been the grain-exporting "breadbasket of Europe" into a land of chronic shortage.

Today, despite a huge nuclear arsenal, impressive space program and vast industrial strength, Stalin's legacy has left the Soviet Union uniquely vulnerable to the vagaries of sun, seed and sweat labor.

## Grand Jury Bid In Atlanta Case Put Off to July 7

ATLANTA — A prosecutor said Monday he probably will wait until after a new grand jury convenes on July 7 to seek an indictment of Wayne B. Williams in the murder of one of 28 black youths.

Fulton County District Attorney Lewis Slaton said it is unlikely he will seek an indictment on the last day of the current grand jury session. A new grand jury will not convene until July 7.

Mr. Williams, 23, a black freelance photographer, is being held in the Fulton County jail charged with murder in the death of Nathaniel Cater, 27, the most recent of 28 black youths slain in a string of killings spanning almost two years.

Mr. Williams' attorney said Sunday she is worried that publicity about evidence against her client will prejudice potential jurors and make him "the 29th victim." But attorney Mary Welton said she has not yet decided if she wants the trial moved to another city if Mr. Williams is indicted.

During the hearing last week at which a judge allowed Mr. Slaton to seek an indictment against Mr. Williams, police officers testified they heard a splash in the Chattahoochee River on May 22 shortly before Mr. Williams was seen driving slowly over the bridge. Mr. Cater's body was found in the river downstream from the bridge two days later.

## Pakistani Parties Call For Anti-Zia Protests

KARACHI — Pakistan's banned political parties called on Monday for protests against Sunday's mark of the start of the fifth year of military rule by President Mohammed Zia-ul-Haq.

A statement by the Movement for Restoration of Democracy, which groups eight of the country's main political parties, said the meetings would also protest the detention of political prisoners and recent food price rises.

that goal. More than any other Soviet leader, he has sought to cure the problem by throwing money at it. In the 1970s, the party proudly announced that 2 out of every 3 rubles invested in agriculture "in all the years of Soviet power" had come during his tenure, a total of 213 billion rubles from 1966 to 1975. (A ruble is worth about \$1.60 today so his investment would equal \$353.6 billion at that conversion rate.) In 1976-80, the party set aside 172 billion rubles (about \$287 billion more) and has earmarked 190 billion (\$304 billion) in the current five-year plan. In all, more than 20 percent of publicly acknowledged Soviet spending on capital investments has been devoted to agriculture.

## NEWS ANALYSIS

Combined with endless tinkering by planners and organizers in Moscow to grant some local autonomy, raise woefully low mechanization levels, establish integrated agro-industries along the lines of those in America and encourage private farming in ways that Stalin and Khrushchev would have vetoed, the torrent of money has brought major gains in production.

Between 1966 and 1976, Mr. Brezhnev has boasted, grain harvest rose 40 percent, labor productivity 58 percent, and agricultural products per capita by 25 percent despite a population growth of 23 million. Since 1966, 50 million newly irrigated or drained acres have reportedly been put into cultivation and thousands of miles of roads built in the remote countryside. The infrastructure of processing plants, storage and handling facilities has expanded enormously from October, 1964, when Mr. Brezhnev came to power.

With the use of expensive imported grains, farm chemicals, feed additives and other measures, per capita meat production rose, and some Western analysts believe the goal of lifting meat production 2 million tons to 18 million in 1985 can be achieved with luck and application.

But the trend now is the other way, with annual increases of about 4 percent in each of the years from 1950 to 1971 by the approximately 20,000 state farms (sovkhozes) and 27,000 collective farms (kolkhozes) slumping toward 1 percent in the period from 1971 to 1980.

With 50 percent more land in cultivation than the United States and 20 percent of its work force in farming, as opposed to 4 percent in the United States, Soviet net production still lagged about 20 percent behind the United States in the mid-1970s.

These are not grave problems. The Soviet Union has advanced far from the famines brought on by collectivization and World War II.

## Regime Resigns In Indian State

NEW DELHI — The government has resigned in India's northeastern state of Assam, where nearly 300 people have died in anti-immigrant violence.

The state's chief minister, Mrs. Anusvara Thimura, a member of Prime Minister Indira Gandhi's Congress-I Party, resigned Sunday after several leftist groups decided to withdraw support for her minority government.

The resignation coincided with the departure of anti-immigrant leaders for talks in New Delhi on their demand for the expulsion of illegal immigrants, mostly Bangladeshis, from the state.

The party newspaper Pravda has described how mineral fertilizer, needed to improve the thin soils, often is shipped in open or leaky freight cars.

"By the time it reaches the client, it [is] a solid lump," the article said. "Crowbars, sledgehammers, sometimes even a Caterpillar tractor is used to break it up." A researcher said that losses "run more than 200 million rubles [\$320 million] a year."

P. Vavilov, president of the Lenin All-Union Academy of Agricultural Sciences, told Pravda last summer that "less than 100 million tons of straw are used for livestock feed annually. The rest, more than half the total, disappears or is burned." Bad combines contaminate the straw with dirt, or miss the best stands. At a time when Soviet livestock need high-protein legume feeds to fatten on, Mr. Vavilov said, legume acreage dropped from 7 percent to 4 percent of arable plowland.

Featherbedding, administrative bungling and chicanery foul the complex bureaucratic maze, blunting directives and thwarting goals. While Premier Nikolai Tikhonov told the party congress in February that "farms are to be much better equipped with powerful tractors" and the power-to-worker ratio would increase 50 percent by 1985, a report from 1979 in the government paper Izvestia showed how plans and promises from on high are diluted by the very different reality in the countryside.

N. Matukovsky of Izvestia reported that one recent year, Byelorussia's Mogilev Province farms received 2,500 new tractors — and promptly scrapped 1,821. University of Chicago agronomist D. Gale Johnson recently reported that daily work production per Soviet tractor actually declined slightly in the period from 1970 to 1976.

But in the world of ideology, a lack of results carries its own costs, eroding party credibility when it claims to run the country effectively and to improve the lives of the Soviet masses.



Dalai Lama

## The Dalai Lama To Stay in Exile

LONDON — The Dalai Lama, self-exiled spiritual leader of Tibet, said he had turned down an invitation by the Chinese government to return to his homeland.

"I feel that for the present I can serve the Tibetan people better from the outside," said the Buddhist monk whose followers believe he is a divine reincarnation. He has lived in exile in India for the last 22 years. "I am just a servant of the 6 million people in Tibet," he added on his arrival in London Monday for a five-day visit.

# Moscow Chess Champion Urges Visas for Korchnois

By Serge Schmemmann  
New York Times Service

MOSCOW — The awards ceremonies of the Moscow Open Chess Championship followed the usual pattern of congratulatory speeches, inside jokes and handshakes until the winner, Boris Gulko, asked to speak.

The officials and participants in the ornate main hall of the Central Chess Club settled quickly and quietly. It was common knowledge that Mr. Gulko, an international grand master and the Soviet champion in 1977, had not played in a major tournament since he and his wife applied to emigrate to Israel in December, 1978.

Speaking nervously and rapidly, Mr. Gulko declared that he had written an open letter to the Soviet Chess Federation insisting that it take action to secure the emigration of the wife and son of Viktor Korchnoi, the defector who is making his second bid next fall to wrest the world chess crown from the Soviet Union's Anatoly Karpov.

The silence after Mr. Gulko's brief declaration Sunday night was broken by a hesitant mutter from the first row. "That is politics over the city," a La Union resident said by telephone Sunday. La Union, about 100 miles (160 kilometers) southeast of San Salvador, is El Salvador's most important port city.

Residents said fighting began late Saturday in a church and spread throughout the town of more than 25,000. It continued Sunday, and tanks and army teams patrolled the streets. There were no casualty figures, but residents said they had seen many bodies in the streets.

The army spokesman called the situation "very difficult" and said reserves were being sent to bolster the 1,500 troops stationed in La Union. Residents said they believed the leftists came from the nearby Conchagua volcano, where they have been for a year, despite repeated army attacks on positions there.

In a related event, the 1.5-million-member American Baptist Churches in the U.S.A., meeting in San Juan, Puerto Rico, adopted a

what you said, and then for your victory." Later in the evening, Mr. Gulko said many other chess players called to express similar sentiments.

The conflicting reactions to Mr. Gulko's demonstration reflected both a discomfiture at the unexpected success of a "refusednik" and the high sensitivity in the Soviet chess world on the issue of Mr. Korchnoi.

Since defecting in 1976, Mr. Korchnoi has been a constant thorn in the side of the Soviet chess establishment by becoming the acknowledged No. 2 chess master in the world. He played Mr. Karpov in the celebrated world championship marathon match in 1978 in the Philippines and has won the right to another challenge this year.

This year, however, a new controversy has developed over the insistence by FIDE, the international chess federation, that the Soviet Union free Mr. Korchnoi's son, Igor, from prison and let him and

his mother, Bella Korchnoi, emigrate from the Soviet Union. Igor Korchnoi is serving a 2½-year term for draft evasion, a sentence his father alleges was imposed to punish him rather than his son.

Earlier this month, FIDE's president, Frederick Olafsson of Iceland, postponed the start of the world championship match by one month, to Oct. 19, to give Soviet authorities time to "bring this matter to a satisfactory conclusion."

The Soviet federation angrily replied that Mr. Olafsson's move was "smacking of political overtones" and violated FIDE rules, and it demanded an extraordinary session of the federation.

Tass escalated the debate Sunday by reprinting excerpts from an interview given by Mr. Karpov to the Yugoslav news agency, in which he denounced Mr. Olafsson's decision, saying that "I reserve the right to think over my next move."

In winning the Moscow title, Mr. Gulko, 34, defeated 12 grand masters, including the current Soviet champion, Lev Paikhis, and the women's world champion, Maya Chiburdanidze. Official embarrassment at the victory was evident in Moscow press coverage of the event, which failed to report the name of the winner.

## Leftist Guerrillas Said to Attack Army Positions at Salvador Port

SAN SALVADOR — Leftist guerrillas attacked army positions in the port city of La Union and were fighting security forces, according to residents and an army spokesman. The spokesman, who requested anonymity, said it was the guerrillas' strongest effort this year to take a provincial capital.

The leftists and army are fighting 50 meters (165 feet) from my home and you can hear fighting all over the city," a La Union resident said by telephone Sunday. La Union, about 100 miles (160 kilometers) southeast of San Salvador, is El Salvador's most important port city.

Residents said fighting began late Saturday in a church and spread throughout the town of more than 25,000. It continued Sunday, and tanks and army teams patrolled the streets. There were no casualty figures, but residents said they had seen many bodies in the streets.

The army spokesman called the situation "very difficult" and said reserves were being sent to bolster the 1,500 troops stationed in La Union. Residents said they believed the leftists came from the nearby Conchagua volcano, where they have been for a year, despite repeated army attacks on positions there.

In a related event, the 1.5-million-member American Baptist Churches in the U.S.A., meeting in San Juan, Puerto Rico, adopted a

resolution Sunday calling on the U.S. government to withdraw its military advisers from El Salvador and halt all military aid.

Swiss Gas Prices Raised  
ZURICH — Three of Switzerland's leading oil-import firms (Tessaco, Agip and BP) announced Monday they will increase the price of gasoline by 3 centimes (1.46 cents) per liter effective July 1. The increase will bring the price at Swiss pumps to a record high of 1.34 francs per liter (\$2.47 per gallon) for super and 1.33 francs (\$2.45) for regular gasoline.

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NYSE Nationwide Trading Closing Prices June 29

Tables include the nationwide prices up to the closing on Wall Street.

Large table of NYSE stock prices with columns for 12-month stock, high, low, P/E, and closing price. Includes various stock symbols and their corresponding market data.

Food

Peking Duck With Burgundy, a New Cuisine?

By Julie Brossy

United Press International

HONG KONG — Despite Rudyard Kipling, East did meet West — at a banquet table in Hong Kong in a marriage of French wine and Chinese food.

"Both French and Chinese cultures embody an ongoing search for new combinations of food," he said, adding that neither the French nor the Chinese are overly inhibited about what they put into their mouths.

they planned the symposium to be held in Hong Kong Nov. 22-25. Gault, 51, has championed the cause of Chinese cuisine in France since the 1960s, with the help of Le Nouveau Guide, a monthly magazine with a circulation of about 150,000, and an annual restaurant guide, both in collaboration with Millan.

Personalities

Clothing and Sex: A Quick Zip Through Fashion

By Hebe Dorsey

International Herald Tribune

LONDON — Sex and fashion often travel hand in hand. "Skin to Skin," a study of eroticism in dress, should put the point across clearly. It is being written by Prudence Glynn, former fashion editor of The Times of London, and is scheduled for publication late this year by Allen and Unwin.

the last bastion of perfection in dressmaking. In other words, Glynn is saying what Great Garbo tried to convey when she insisted on real silk underwear on the set. "Nobody will know the difference," a producer once complained. "But I will," she said, "and I'll walk differently."

rent collection, quite simple but with a bow on your butt. That's a typically derriere dress, but then, Saint Laurent has always been a bottom man," she said. Slits, tight belts and low-cut décolletages are equally blatant tricks.

Entertainment

Cashing In on the Washington Whirl

By Barbara Gamarelle

New York Times Service

WASHINGTON — Washington Whirl-Around, a conference planning firm with great connections, didn't exactly start out with a bang. In its first year, 1967, it made a whimperish \$400 for each of its three partners.

the net goes back into the business, 25 percent is split evenly among the partners and the remainder is shared out according to how much business the partner generated.

Things can get a bit out of hand, especially when Glynn says that Hardy Amies, one of Queen Elizabeth's favorite and most conservative designers, "once told me that the sexiest thing he'd ever seen was nuns playing tennis."

Dance

Panov's 'War and Peace'

By Paul Moor

International Herald Tribune

BERLIN — When Valery Panov seeks a subject for a new ballet, he does not shy away from works of literature which would daunt more timorous natures. For his last choreography for the ballet company of the Deutsche Oper he chose Dostoyevsky's massive novel "The Idiot."

Each partner now works individually with her own clients, executing her own contracts. Half of the firm expects to gross close to \$2 million this year with 7 to 10 cents of each dollar going to the partners, said an accountant for Whirl-Around.

Art Dutch Bridge To Get Mobile ROTTERDAM — A new traffic bridge over the Maas River will be adorned with a 1-million-guilder (\$400,000) sculpture that townspersons are calling "the clothesline."

كردمان الترحيل



BUSINESS NEWS BRIEFS

Digital Offers Desktop Word Processor

MERRIMACK, N.H. — Digital Equipment Monday said it planned to introduce a small business word processing system with prices starting at \$6,795. It said deliveries of its "Decmate" system will begin in August. The first public showing of the "multipurpose word processor" will be the International Word Processing Association's annual convention, which begins Tuesday in Atlanta, it added. It said Decmate was "the lowest-priced system currently available."

Diamond Shamrock Sees Loss on Units' Sale

Dallas — Diamond Shamrock Corp. said Monday there will be a charge of about \$99 million, or \$1.76 a share, against second quarter earnings on the sale of its plastics and animal nutrition businesses, currently under negotiation. Shamrock said this reflects the estimated loss on discontinuing the businesses, which are among five it identified last year as being under consideration for sale. Because first quarter earnings will also be restated to reflect the discontinued operations, the effect for the six-month period will be a loss of about \$108 million, or \$1.91 a share, the company said. The company previously reported first quarter earnings of 85 cents a share, down from \$1.06 a share a year earlier.

Talbot to Build Horizons in Britain

LONDON — Talbot Motor Co., Peugeot's British subsidiary, said Monday it has agreed to a £10 million investment program with Peugeot to produce the Horizon car line at Coventry. It said work will start soon to reconstruct the main car assembly areas at the Ryton works, where Horizon production should start at the end of this year. So far, the Horizon has been built only at Talbot's Poissy plant in France. Horizon production at Coventry will be added to the Talbot Solara and Alpine models, the company said.

United Motor Works to Buy Fiat Distributors

SINGAPORE — United Motor Works (Malaysia) Holdings said Monday it had agreed to acquire the entire issued capital of Syarikat Fiat Distributors for 45 million ringgits (\$19.4 million). It said the purchase will be satisfied through the issue of 4.5 million new United Motor Works shares at 7.50 ringgits per 1 ringgit share, and a cash payment of 11.25 million ringgits.

UBS Predicts Decline in Profits for 1981

ZURICH — Union Bank of Switzerland said Monday that its 1981 net profit may decline from last year's record 334 million Swiss francs (\$163.6 million). In an investment study, UBS said 1981 results may be adversely affected by higher costs, lower commission earnings and decreased revenue from foreign exchange and precious metals, but that credit demand is expected to remain strong.

SSIH Sets Transfer of Quartz Production

BIENNE, Switzerland — Societe Suisse Pour l'Industrie Horlogere said Monday it had reached agreement for the transfer of its industrial quartz production unit to Fardahl of Biemme. SSIH said in April that it was terminating production of quartzes used in watches and by industry as part of a restructuring program after losses in 1980. The unit transferred to Fardahl employs 18 of the 74 persons previously working in SSIH quartz production. SSIH continues to make quartz watches.

Burda Family May Buy Share of Springer

BERLIN — The Burda family, West German owners of several publishing houses, are considering acquiring a minority share in Axel Springer Verlag, publisher of several West German newspapers and magazines, including the 4-million circulation daily Bild newspaper, according to a spokesman for Springer. Springer Verlag is presently entirely held by Axel Springer, the sometimes controversial West German publisher. A spokesman for Burda, which publishes the weekly illustrated magazine Bunte and several other women's and television magazines, said the family was considering buying up to a 26 percent interest in Springer, but he did not disclose the reasons for the purchase. Spokesman for Burda and Springer also declined to give the terms of the acquisition.

Chrysler Boosts Output in Bid for 2nd Quarter Profit

By John Holusha New York Times Service DETROIT — Chrysler has continued to produce cars at an aggressive pace this month, despite a decline in retail sales, in an apparent effort to live up to its prediction of a second-quarter profit. Some analysts now agree that Chrysler could earn a profit this quarter, as its chairman, Lee A. Iacocca, hinted to shareholders early this month. Although the plan filed by Chrysler with the federal government in connection with the \$1.5 billion in loan guarantees anticipated a \$35 million loss in the three months ended June 30, Mr. Iacocca has grown increasingly optimistic and has continued high production levels of K cars. But the analysts add that a second-quarter profit might come at the expense of a larger loss in the third quarter. Heavy Inventory "They had a heavy inventory of K cars at the end of May, so I don't see how they justified overtime all through June," said Raymond Keller, an automobile industry analyst with Paine Webber. He said that the company had a 103-day supply of Dodge Aries K cars and a 90-day supply of Plymouth Reliant K models, although the automaker has said a 70-day supply of cars is adequate. Miss Keller said that she expected Chrysler to be "about at break-even" for the quarter. For the first 145 selling days of the year, Chrysler reported that retail sales by dealers were up 23.1

After First Rebuff, Seagram Now Goes After Control of Conoco

By Lydia Chavez New York Times Service NEW YORK — Thirteen years ago the late Samuel Bronfman, who had made a fortune in the Canadian liquor business, bought a small oil company in Texas for \$50 million in cash and the promise of more on the basis of its future production. In 1980 his son Edgar sold the company for \$2.3 billion, and last week the 52-year-old chairman of the Montreal-based Seagram Co. took the proceeds and went after Conoco with a bid of \$7.3 a share, or \$2.55 billion, for 47.7 percent of the U.S. company. To Mr. Bronfman, who became the chief executive officer of Seagram after his father died in 1971 at the age of 80, Conoco offers a chance to outdo the legendary patriarch who built Seagram into the world's largest distillery operation and then left a 34-percent interest to his two sons and two daughters. Edgar Bronfman became a U.S. citizen in 1955. His brother,

Charles, 50, lives in Montreal and, although he is deputy chairman of Seagram, does not participate in day-to-day operations of the company, according to a Seagram spokesman. Once Rebuffed The 40.7 percent bid for Conoco might not have happened if it were not for a rebuff from Conoco, an impeccable timing by Mr. Bronfman and the help of Mark Millard, a 73-year-old Russian emigre who is senior managing director of Shearson Loeb Rhoades. It was in fact Mr. Bronfman's third proposal to Conoco. The first was made privately on May 29 when Conoco was still embroiled in a takeover battle with another Canadian company, Dome Petroleum. Shearson Loeb Rhoades was representing Dome, which was interested primarily in winning Conoco's 52.9 percent interest in Hudson Bay Oil & Gas. Edgar Bronfman's shareholders tendered overwhelming 54.8 million shares in response to Dome's offer for 22 million shares, there appeared to be enough left over for another suitor, and Mr. Millard, according to associates, turned to Mr. Bronfman. The Seagram directors offered to buy 35 percent of Conoco but assured Conoco Chairman Ralph E. Bailey that they were willing to work out a friendly compromise. "Very Disappointed" The day after Conoco agreed to sell Dome its Hudson Bay interests for \$1.68 billion in cash and stock, a team from Conoco began to work with Seagram to sell another chunk of its stock. "Mr. Bailey felt more comfortable with an offer for 25 percent, so we went with that," said a source at Seagram. The formal offer to buy 25 percent of the company for \$2 billion included a promise from Mr. Bronfman to leave Conoco's management alone for 15 years. To his surprise, the offer was rejected unanimously by Conoco's board on June 17.

"We only agreed to proceed on a friendly basis while Conoco was still involved with Dome," said a Seagram source, "but once that agreement was reached, we did not feel obliged to continue on a friendly basis. But we did, and Mr. Bronfman was very disappointed by the board's decision."

Knowing that the Canadian company might not back down easily, Conoco started merger talks with Cities Service. But an offer by Mr. Bronfman last Thursday, for 35 million shares of Conoco's 86 million outstanding shares, broke up the Conoco-Cities Service merger negotiations. This week, Conoco's directors are meeting to review the company's options. Unlike his friendly bid, Mr. Bronfman's latest offer leaves open the possibility of acquiring more shares. "The first offer didn't sound like it was coming from Seagram," said Sandra Lowe, an analyst with A.E. Ames in Ottawa. "It's not their style to go after only part of a company."

An oil industry source said Mr. Millard told him after the latest offer was made. "First we're going to buy 25 percent, a little later 15 percent and a little later some more." The Seagram foray into the oil and gas business has been guided by Mr. Millard, a former economics professor at the University of Heidelberg. He first advised Edgar Bronfman's father to buy the Texas Pacific Co. in 1963 for a mere \$50 million in cash and a \$216 million payment for future production. Seagram hired Howard Hinson, then a Conoco director, to head the new acquisition. Mr. Hinson had a reputation in the oil industry that at one time credited him with having discovered 2 percent of the oil reserves in the non-Communist world. After Mr. Hinson had expanded Texas Pacific's 330,000 undeveloped acres to 4 million acres, Mr. Millard stepped in once again. He negotiated the sale of Texas Pacific's domestic oil and gas (Continued on Page 11, Col. 1)

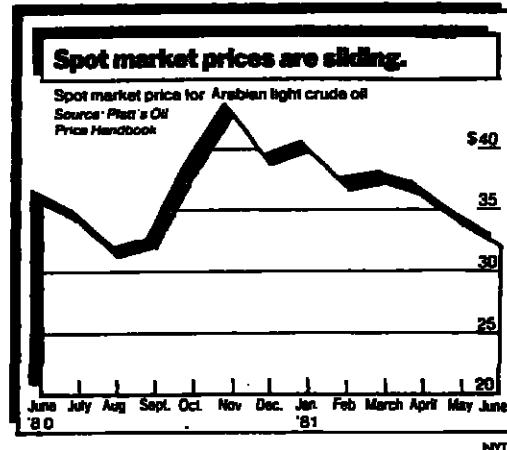


Samuel Bronfman founder of the empire

Oil Analysts See Progress by Saudis On Cutting Prices

By Andrew Hill Reuters LONDON — Saudi Arabia's determined campaign to force other OPEC states to cut their oil prices could get results by the end of the year, Western oil industry analysts said Monday. The Saudi oil minister, Sheikh Ahmed Zaki Yamani, underlined the kingdom's resolve on Saturday by denying Western press reports of a 450,000 barrels per day cut in Saudi oil production. In a telex to Reuters in Bahrain, Sheikh Yamani said, "No decision has been taken to cut production."

With an output of more than 10 million barrels a day, Saudi Arabia has flooded the world oil market to push down spot prices and make other Organization of Petroleum Exporting Countries members reduce what they charge. Analysts said Saudi Arabia was in sight of its goal and predicted that by the end of the year many OPEC states would have cut prices, which range from Saudi Arabia's \$32 a barrel to Libya's \$41. The Saudis want to unify OPEC prices as a first step to a long-term strategy linking price rises to Western inflation, currency fluctuations and economic growth. Analysts at the London stockbroker firm of Wood MacKenzie said pressure for official price cuts was now most intense and could possibly lead to a unified OPEC price as early as the end of the year. Western analysts said OPEC's three major African producers, Libya, Nigeria and Algeria, are under the most immediate pressure to cut their official prices, the highest in OPEC. Companies are now negotiating their contracts to take African oil for the third quarter of this year and most analysts expect them to be paying less. Venezuela and Ecuador, both OPEC members, have reduced prices and non-OPEC producers Mexico, Britain and Norway have made \$4 cuts. [However, oil industry sources in New York said that Mexico is raising its crude by \$2 a barrel as of Wednesday due to domestic political pressure for



higher prices, United Press International reported.] The Petroleum Intelligence Weekly said Monday that OPEC oil production may have fallen to 22 million barrels per day, its lowest level for more than 10 years, from 30 million barrels. The sharpest declines were registered by Libya, Nigeria and Algeria, whose total production was estimated to have fallen one million barrels per day, to 2.45 million barrels per day. Last week Libya, Nigeria, Algeria and Gabon said they would not reduce their prices and Western analysts expect them to cut output instead. But the analysts believe that these countries stand to lose more by keeping official prices and lowering output than by cutting prices and keeping output high. PTW said Libya last week offered its customers a \$1 cut but customers are seeking at least a \$5 cut. Nigeria is believed by industry sources to have offered its customers hidden discounts on its \$40 official price in recent weeks. One of the African producers has to be broken as soon as one does, the others will follow," commented an analyst at a London stockbroker firm. If this happened attention would then focus on Gulf producers, with the exception of Saudi Arabia, which align their prices on a \$36-basis with premiums added for quality of the crude. Industry sources believe Saudi Arabia would be prepared to raise its price to \$34 a barrel if others came down to its level.

Prices on NYSE Broadly Lower

From Agency Dispatches NEW YORK — Prices on the New York Stock Exchange were broadly lower Monday as investors, disappointed with high interest rates, cashed in on recent profits. The Dow Jones industrial average, which lost 3.90 points Friday, was off 8.38 points to close at 984.49. It fell 3.32 points overall last week. Declines led advances, 890-477, among the 1,894 issues traded. The NYSE volume was 37.93 million shares, down from the 39.24 million traded Friday. On the NYSE floor, Texasgulf, which did not trade Friday, was the most active stock, up 11 points to 48 1/2 on volume of more than 1.3 million shares. Elf-Aquitaine of France said it would commence with a \$50-a-share tender offer for Texasgulf shares. Texasgulf plans to meet to discuss the offer on Thursday. Conoco, which rose 3 1/2 points Friday, was second most active on volume of more than 700,000 shares. It gained 1/2 to close at 65 1/2. Seagrams Co. last week made a \$73-a-share bid for 35 million of Conoco's shares. Analysts said many investors apparently taking profits because the Dow industrial average was unable to penetrate the 1,000 level decisively. Traders also were disappointed the federal funds rate banks charge one another for overnight loans rose slightly in the early going and the Federal Reserve did nothing to stop it. Wall Street's hopes for interest rates rose late Friday when the Fed reported a small decline in the nation's money supply. Most observers had expected a large gain. Traders also were encouraged that revisions showed that the supply grew at a slower pace earlier this year than had been believed, leading to speculation the Fed may relax its credit policies.

Merger of Amex, Shearson Cleared

The Associated Press NEW YORK — Shareholders of American Express and Shearson Loeb Rhoades voted to approve the merger of the two companies in separate meetings Monday. The votes combine the nation's second-largest securities firm with the worldwide financial services empire of American Express. The merger was in the form of a stock swap in which 1.3 shares of American Express were exchanged for each share of Shearson, in a transaction valued at more than \$915 million when it was announced April 21.

IBM Notes In other corporate news, IBM Credit's \$150 million of seven-year "zero" coupon notes was priced Monday at 99.164 to yield 13.85 percent, lead underwriter Salomon Brothers said. It said the International Business Machines subsidiary's \$100 million of five-year notes was priced at 99.739 with a 14 percent coupon to yield 14.45 percent. Both issues will be offered Tuesday. Coca-Cola said Monday it is discussing sale of the wine business of the Coca Cola Bottling of New York to a group that includes First Boston Corp. and current mem-

Gold, Silver Prices Slide On Outlook for Inflation

From Agency Dispatches NEW YORK — Gold and silver prices tumbled on bullion markets Monday, dropping through major support areas of \$430 and \$9 an ounce, respectively. The dollar opened lower on foreign exchange markets, but later gained back its strength. In Zurich gold closed at \$429.50 an ounce, down from \$443.50 Friday. At the afternoon fixing in London gold was pegged at \$428.75 an ounce, down from \$444 at Friday's close. It closed in London slightly higher, at \$430.50, still its worst showing since December, 1979. In New York gold was trading at \$429 an ounce. Silver dropped proportionately more, trading at \$8.62 an ounce in New York, down from \$9.27 at Friday's close. A dealer said the losses were a "continuation of last week's weakness. Gold and silver still are reflecting anticipation of lower inflation." Gold is likely to fall to about \$400 an ounce now that it has broken decisively through the \$450 level, other dealers and analysts said. In London, the dollar closed higher against most leading currencies, dealers said. It closed at 2.3932 Deutsche marks, against its Friday close of 2.3880. Trading was subdued with many operators squaring books for the end of the half year. The continuing underlying firmness of dollar interest rates, despite their slightly softer tone Monday, remains a major factor buoying the dollar. The dollar closed firmer at 2.0342 Swiss francs, after its Friday finish of 2.025, but lost slightly to the French franc, falling to 5.7050 from Friday's 5.7175. The British pound closed at \$1.9410, against the opening \$1.9505.

Currency Rates

Table with columns for Currency, U.S. Dollar, and various international rates. Includes sub-tables for Dollar Values and Dollar Rates.

Company Reports

Table with columns for Company, Year, Revenue, and Profits. Lists companies like Schneider, Japan, and Matsushita Elec. Inds.

ARGENTINA advertisement listing rural and urban properties for sale, including Inveragro S.A. and The Strategic Metal Trust.

AKENI advertisement offering services to individuals, listing various currencies and exchange rates.

IBM World Trade Corporation advertisement for \$100,000,000 14% Notes due June 15, 1984, listing various financial institutions.

ARGENTINA advertisement for Inveragro S.A. and The Strategic Metal Trust, including contact information.

AKENI advertisement for Akeni Investment Management, providing contact details and services.

Salomon Brothers International advertisement listing various financial institutions and services.



NYSE Nationwide Trading Closing Prices June 29

Tables include the nationwide prices up to the closing on Wall Street.

Large table containing NYSE stock prices, organized by 12-month stock, 5-year P/E, and various stock categories. Includes columns for High, Low, and Close prices.

Water Shortages advertisement featuring a drawing of a water tap and text: 'Water Shortages in New Jersey, Virginia, Missouri, Texas, Kansas, California, Arkansas... New waterworks are overdue. LONESTAR U.S. #1 in cement'.

INTERNATIONAL EXECUTIVE OPPORTUNITIES

Leading Offshore Company in the Gulf is seeking: Q.A. MANAGER. Qualification: Mech. Engineer - ONC/HNC. Experience: 5 years experience in Managing Construction Installations/Fabrications of offshore and onshore structures for petroleum and petrochemicals and QA QC functions.

We are looking for a TECHNICAL SALESMAN for our Agricultural Chemicals Department. The new employee will, after an initial training period, be based in one of Dow's offices in Africa—in either Lagos, Nairobi or French West Africa.

Managing Director. Major United States food processing corporation seeks qualified applicants for senior management assignment overseas. Responsibilities for this demanding position include total profit and loss accountability, and skill in representing the company with local national board of directors.

Floating Rate Notes. Table listing various banks and their floating rate notes, including columns for Bank, Coupon, Maturity, and Bid/Ask prices.

Leading Offshore Company in the Gulf is seeking: Experienced Project Engineer. Preference will be given to an Engineer with Offshore Engineering Background (platform, installations and flow lines) capable of taking charge of a multi million dollar project.

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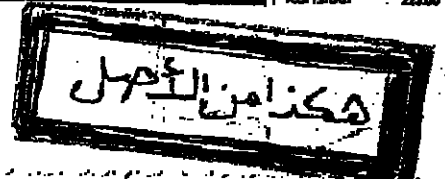
Not a Bank. Table listing various financial institutions and their services, including columns for Name, Address, and Contact Information.

European Stock Markets. Table showing stock market data for major European cities: Amsterdam, London, Brussels, Frankfurt, Zurich, and Milan. Includes columns for Stock Name, Price, and Change.

Project Financing. One of the largest international merchant banks located in Paris requires for its Project Financing Department a young International Banker. He will be responsible for analysing projects on a technical and financial basis and will be involved in structuring financings.

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### W. Germans to Back Steel Plan

**LUXEMBOURG** — A compromise agreement reached by the EEC last week on ending official subsidies to EEC steel makers by 1985 most likely will be approved by the West German Cabinet even though it considers the accord "disappointing and unsatisfactory," government spokesman Kurt Becker said Monday.

He told reporters that West German Chancellor Helmut Schmidt would raise the steel issue at the two-day EEC summit meeting that opened Monday and explain his government's position.

West Germany had campaigned strongly for the removal of subsidies paid by several EEC member states to their ailing steel industries.

Mr. Becker said Mr. Schmidt would tell other EEC leaders that, while West Germany still dislikes the accord reached last Wednesday in Luxembourg on steel subsidies, a cabinet meeting this Wednesday is likely to approve it. But he said Mr. Schmidt will also warn other EEC countries that if the accord is not fulfilled to the letter, West Germany would reserve its right to impose border levies or import ceilings for subsidized EEC steel.

## Rollei Caught Between Old-Fashion Desires and Modern Market

By John M. Geddes  
AP-Drew Jones

**BONN** — Rollei-Werke Franke und Heidecke, the maker of Rollei reflex cameras, filed for liquidation proceedings over the weekend, perhaps signaling the demise of one of West Germany's most renowned names.

Negotiations were on a compensation package for Rollei's 700 workers in Brunswick and on the disposal of existing service and sales networks.

The moves were prompted by the failure of lenders to grant more funds to reorganize and restructure the company. Rollei had expected to post a loss equivalent to about \$13.9 million this year on sales of \$75.7 million after a loss of about \$10.5 million last year on sales of \$84.1 million.

that the Asian unit could buy the Rollei name and continue production.

Rollei's collapse can be traced to a conflict between the company's effort to remain competitive by producing in low-wage countries and its desire to maintain the technical allure of its products.

Founded in 1930, Rollei built its reputation on high-quality reflex cameras designed largely for professional photographers. But, by the early 1970s, the company was feeling the first inroads of Japanese competition, a threat it decided it could meet only by moving its production to a low-wage area.

As a result, the company opened

a \$50.5-million plant in Singapore and proceeded to reduce its employment in West Germany and build up employment in Singapore. While employment in West Germany dropped from 3,800 in 1973 to 700 this year, employment in Singapore rose to 4,800.

The only problem was that the plant in Singapore failed to live up to expectations. While it has remained profitable, its capacity utilization stagnated at about 60 percent. Last year, the company said only 37,000 reflex cameras were produced at a plant equipped to make 200,000 units.

**Sales Boom Never Came**

Despite the excess capacity, Rollei long held back from any major entry into volume marketing, such as producing cameras under other brand names for department stores or film companies.

Adolf Kracht, chairman of

Norddeutsche Landesbank. Rollei's past owner, noted that it was a mistake to "keep the capacity at Singapore on reserve for the expected great spring" in sales that never came.

The company's trouble had its effect on the bank, which under

### West German Loan Set at 1.5 Billion DM

**FRANKFURT** — The West German government plans a 1.5-billion-Deutsche-mark loan with a life of 10 years, carrying a coupon of 10 1/4 percent and priced at 99.25 to yield 10.37 percent, the Bundesbank said Monday.

It added that 1.2 billion DM will be issued immediately, with 300 million DM retained for market regulating purposes.

West German law is allowed to have industrial shareholdings and had gradually taken over ownership of the company. Over the years, it has lent Rollei an estimated \$315.4 million, although a bank official, while declining to give details, said the bank's current exposure and net lending is far less. The result was a search for a new owner.

In April, Hansheinz Forst, owner of West Germany's second largest photographic chain, Forst Verwaltungsgesellschaft, assumed control of the company as head of a holding company that purchased the bank's stake. The price paid, said by Forst officials to be "very little," is widely assumed to have been nothing, indicating the bank's last-ditch bid to turn the company around.

Forst said Rollei had to reorganize its product line, gear produc-

tion for whatever market was available and reduce employment in Singapore.

The plans never came to fruition, running afoul of one of the owners of the Singapore plant, not included in Forst's purchase. The Singapore plant, although managed and run by Rollei, belongs 75 percent to Norddeutsche Landesbank and 25 percent to the Development Bank of Singapore.

Winfried Harter, a spokesman for Norddeutsche, said the Singapore bank had decided against providing further capital or loans, a decision that precipitated a similar decision by the West German bank and the resulting liquidation.

Said Birgit Breuel, Lower Saxony's economics minister: "Better an end with dismay than dismay without end." The minister added, "The state treasury can't pay out any more to Rollei."

## After Rebuff, Seagram Seeks Control of Conoco

(Continued from Page 9)

property to Sun Co. that not only gave Seagram \$2.3 billion but also assured it of keeping an interest in the property if it turns out to be worth more.

"That's Millard's style," said John G. McMillan, chairman of the Northwest Energy Co., the operating partner for the \$25 billion Alaskan natural gas pipeline. "He always gets in on the future, and it never looks like anything to everyone else, but it always works out to be a hell of a deal."

After completing the sale, Seagram organized a \$3 billion Eurocredit package and started to look around for a company to buy.

In March, a \$2.13 billion offer (at \$45 a share) was made for the St. Joe Minerals, which was handled by Lazard Freres & Co., the other dealer manager in Seagram's tender offer for Conoco.

Seagram withdrew the offer after Fluor Corp., the construction and engineering company based in Irvine, Calif., came forward with an offer worth \$56 a share.

Control Unclear

"We didn't want to pay more than it was worth," said a source close to the Seagram bid. Seagram's board continued its search until it found Conoco, a company that analysts say has not performed up to its potential.

If Mr. Bronfman is successful with his offer this time, it is unclear how much control over Conoco he would choose to exercise. But analysts would not be surprised if some changes were made in the oil company's management.

Once changes like these are made, however, Mr. Bronfman has

a reputation for delegating authority. After he brought in Mr. Hinson and Albert Hrubetz, who was another Conoco executive, to run Texas Pacific they were left almost entirely alone, according to Mr. Hrubetz.

"We had an unusual amount of autonomy," said Mr. Hrubetz. "Once we learned about a certain foreign play but didn't have the money or the geological data to back us up, so we called up Edgar in New York and said we needed \$10 million right away. He said our information was weak, but he gave us the money on the spot."

**U.S. Economy Seen Slowing**

**NEW YORK** — The growth of the U.S. economy slowed in June, according to a monthly survey of purchasing managers in 225 industrial companies.

"This is principally caused by high interest rates adversely affecting plans for expansion as well as affecting day-to-day operations," said the National Association of Purchasing Management, whose survey is regarded as the first authoritative indication of economic activity in a given month.

It said production rose more slowly in June than in May, while new orders showed no growth in June after rising in May. Sixteen percent of the companies surveyed had more employees, up from 15 percent in May, while those reporting fewer employees dropped to 15 percent from 17. But inventories of purchased materials showed little change, the survey showed.

### Machine Tools Off 47% in U.S.

**NEW YORK** — Machine tool orders in May fell 47 percent from the already-depressed levels of a year earlier, the National Machine Tool Builders Association said Monday.

The industry group said that orders totaled \$229.8 million in May, compared with \$434 million a year earlier. The May order rate was also 24.7 percent lower than in April, when orders totaled \$305 million. Year-to-date orders totaled \$1.44 billion, down 38.6 percent from orders of \$2.34 billion for the year-ago period.

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## Notice to Holders of LTV International, N.V., 5% Guaranteed (Subordinated) Debentures Due 1988

The LTV Corporation, a Delaware corporation ("LTV"), hereby gives notice to the holders of the LTV International, N.V., 5% Guaranteed (Subordinated) Debentures Due 1988 (the "Debentures"), pursuant to Section 4.08 of the Indenture dated as of July 1, 1968 among LTV International, N.V., LTV as Guarantor, and Bankers Trust Company as Trustee, that LTV will distribute all of the Common Stock of Wilson Foods Corporation ("Wilson"), LTV's wholly owned meat and food products subsidiary, to the holders of LTV Common Stock and LTV Special Stock, Class AA Accumulating Convertible (the "Distribution").

The Distribution will be on the basis of (i) one share of Wilson Common Stock for each 10 shares of LTV Common Stock held, and (ii) 1.5 shares of Wilson Common Stock for each 10 shares of LTV Special Stock held, at the close of business in Dallas, Texas on July 10, 1981, the record date for the Distribution (the "Record Date"). The physical distribution of the shares of Wilson Common Stock will be on July 31, 1981.

Holders of the Debentures will not participate in the Distribution. However, as discussed below under Alternatives Available to Holders of Debentures, the Debentures are convertible into LTV Common Stock at any time at the option of the holder, and holders who convert their Debentures on or prior to the Record Date will participate in the Distribution provided they are holders of LTV Common Stock on the Record Date.

### ALTERNATIVES AVAILABLE TO HOLDERS OF DEBENTURES

- 1) Convert their Debentures into LTV Common Stock at a conversion price of \$23.36 per share (or approximately 42.81 shares for each \$1000 principal amount of Debentures). The closing price of the LTV Common Stock on the New York Stock Exchange on June 24, 1981 was \$22.75. Holders of Debentures who exercise their conversion rights on or before the Record Date (July 10, 1981), and who continue to hold LTV Common Stock on the Record Date, will participate in the Distribution and will receive one share of Wilson Common Stock for each 10 shares of LTV Common Stock held on the Record Date. Cash will be paid to the holders of LTV Common Stock in lieu of any fractional share of Wilson Common Stock.
- 2) Continue to hold their Debentures or sell them on the open market. Holders of the Debentures who do not convert on or before the Record Date will not participate in the Distribution. The closing price of the Debentures on the Luxembourg Stock Exchange on June 24, 1981 was \$96-\$97 per \$100 principal amount of Debentures. Holders who do not convert or sell their Debentures will continue to enjoy all the rights and privileges which attach to the Debentures.

### IMPORTANT FACTORS TO BE CONSIDERED

- 1) Interest on the Debentures is paid annually on the 1st of July. Holders who convert their Debentures on or after July 1, 1981, but no later than July 10, 1981, in addition to receiving the annual interest payment due on July 1, 1981 will also participate in the Distribution provided they continue to hold the LTV Common Stock on the Record Date.
- 2) Following the Distribution, Wilson Common Stock will be traded on the over-the-counter market. No determination can be made with respect to the initial trading price of such stock. As of March 31, 1981, the pro forma net book value of the Wilson Common Stock is estimated to be at least \$13.96 per share.

### MANNER OF CONVERSION

Holders may convert their Debentures into shares of LTV Common Stock by surrendering their Debentures, with all unmaturing coupons appertaining thereto, to LTV at the office of one of LTV's designated conversion agents listed below (the "Agents"), together with a written notice of election to convert executed by the holder and specifying the name or names in which the shares of LTV Common Stock deliverable upon conversion shall be registered, and stating the addresses of the persons so named.

The following are the Agents to which holders may surrender their Debentures for conversion, together with the written notice described above, either personally or by mail. The Debentures and the required notice of election to convert must be surrendered to one of the Agents on or before the Record Date (July 10, 1981) in order for the converting holder to participate in the Distribution.

- |  |  |
|--|--|
| Bankers Trust Company<br>9 Queen Victoria Street<br>London EC4P 4DB<br>England   | Banque de Paris et des Pays - Bas<br>3 Rue D'Antin<br>Paris 75002<br>France  |
| Amsterdam - Rotterdam Bank N.V.<br>Post bus 430<br>Amsterdam<br>The Netherlands  | Banque de Paris et des Pays - Bas pour le<br>Grand Duché de Luxembourg<br>10 Boulevard Royal<br>Luxembourg 51<br>Luxembourg  |
| Banque du Benelux, S.A.<br>Grote Markt 9<br>2000 Antwerp<br>Belgium  | Delivery by mail in New York:<br>Bankers Trust Company<br>Corporate Trust Operations<br>P.O. Box 2579<br>Church Street Station<br>New York, New York 10008   |
| Banque du Benelux, S.A.<br>Rue de Colonies 40<br>1000 Bruxelles<br>Belgium   | Delivery by hand in New York:<br>Bankers Trust Company<br>Corporate Trust Operations<br>One Bankers Trust Plaza<br>(Corner of Liberty & Greenwich Streets)<br>Floor A/Windows 6-10<br>New York, New York |
| Dresdner Bank A.G.<br>Callusanlage 7<br>6 Frankfurt am Main<br>Federal Republic of Germany   |  |
| Banca Commerciale Italiana<br>Head Office - Securities Department<br>NL Direzione Centrale<br>6 Piazza Della Scala<br>20100 Milan, Italy |  |

### QUESTIONS AND REQUESTS FOR ASSISTANCE

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NYSE Nationwide Trading Closing Prices June 29

Tables include the nationwide prices up to the closing on Wall Street.

Main NYSE stock price table with columns for 12 Month Stock, High, Low, Div, P/E, etc. Includes sub-sections for (Continued from page 8) and various stock listings.

U.S. COMMODITY PRICES

Commodity price table including Chicago Futures (Wheat, Soybeans, Corn), New York Futures (Cotton, Sugar, Coffee), and various other commodity listings.

Market Summary and NYSE Most Actives section, including Dow Jones Averages, Dow Jones Bond Averages, Standard & Poors, and NYSE Index.

FIRST SECURITY CAPITAL AND INCOME FUND N.V. Notice of Repurchase of Preference Shares as of August 1, 1981.

INTERNATIONAL INVITATION TO TENDER. The African Industrial Trust is launching an international invitation to tender for feasibility studies on mining, roads and rail construction, agriculture and fishing projects in West Africa.

Canadian Indexes table showing Montreal and Toronto stock indices and various market data.

THE KYOWA BANK, LTD. Total Assets: US\$32 billion. Head Office: 1-2, Oiemachi 1-chome, Chiyoda-ku, Tokyo, Japan.

Toronto Stocks Closing Prices, June 26, 1981. Table listing various Toronto stock prices.

Tokyo Exchange table listing various Japanese stock prices and exchange rates.

Montreal Stocks Closing Prices, June 26, 1981. Table listing various Montreal stock prices.

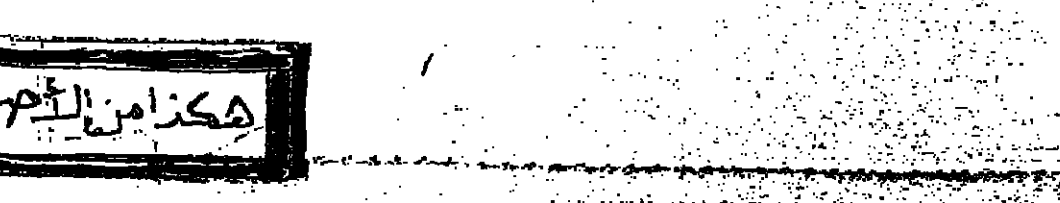
ASK FOR IT EVERY DAY. EVERYWHERE YOU GO. International Herald Tribune advertisement.

Selected Over-the-Counter Closing Prices, June 29, 1981. Table listing various over-the-counter stock prices.

Wriston Predicts Lower U.S. Rates. WASHINGTON Post Series: Walter B. Wriston, chairman of Citibank, says that both short-term and long-term interest rates will come down in the months ahead.

5 Farmers Reported Shot in Philippines. MANILA, June 29 (AP)—Five farmers were dragged from their homes and shot to death by men whose military claimed were Communist rebels.

Prices Rise in Belgium. BRUSSELS—Belgium's wholesale price index rose 1.1 percent in May after a 1.2 percent increase in April.





AMEX Nationwide Trading Closing Prices June 29

Table with multiple columns listing stock symbols, prices, and trading volumes for various companies on the AMEX exchange.

Table with multiple columns listing stock symbols, prices, and trading volumes for various companies on the NYSE and NASDAQ exchanges.

Advertisement for The IHT (International Herald Tribune) featuring a large headline 'The IHT maintains a sense of proportion. You'd subscribe to that, wouldn't you?' and a coupon for a 25% introductory discount.

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Small text at the bottom of the page, including a note about the newspaper's commitment to international news and a reference to the previous page.







# Shriver Eliminates Austin From Wimbledon Tennis

**The Associated Press**  
WIMBLEDON, England — Pam riper upset fourth-seeded Tracy Austin, 7-5, 6-4, Monday to reach semifinals of the Wimbledon tennis tournament for the first time.

The tall 18-year-old American jthander moved into the final with Chris Evert Lloyd, Hana andrikova and Martina Navratilova. Lloyd, the top seed, downed ima Jausovec of Yugoslavia, 6-2, 2. Mandlikova, the No.2 seed, ayed the most impressive tennis ay and crushed Wendy arnball of Australia 6-0, 6-0. Navratilova, who won the title re in 1978 and 1979, served and leyed past Virginia Ruzici of omania 6-2, 6-3.

Lloyd and Shriver meet in ednesday's semifinals. Navratilova and Mandlikova play in her match.

**1-11 Over Austin**  
Shriver, who will turn 19 on Saturday, had never beaten Austin in meetings.

"When we were really young, I rdy won a game from her," river recalled. "Then things got close, but she pulled away from me again. People said it was psychological, but it wasn't. It was just that she was a better player than me."

They had played nine times as juniors and twice on the pro circuit. "I'm a lot smarter now," Shriver said. "I play with my brain instead of my mouth."

Their match kept the 14,000 fans at center court in a fever of excitement to the last point. Both players made a lot of errors, but Shriver, seeded seventh, had the edge with her bold play at the net.

She began by missing one volley after another. In one long game — the third of the match — she missed six volleys, then held up six fingers, sadly shaking her head.

But her volleying improved as the match went on, and in the tense second set Austin had difficulty getting past Shriver at the net.

In a jittery second set, six of the first eight games went against service, and the rivals were tied 4-4. Shriver then held serve, with the help of a netcord, and nosed ahead 5-4.

In the next game, Shriver had three match points before she could wrap it up. She threw the first away by putting a weak backhand return into the net. Austin saved the second by running around a looping service return and walloping a forehand down the line.

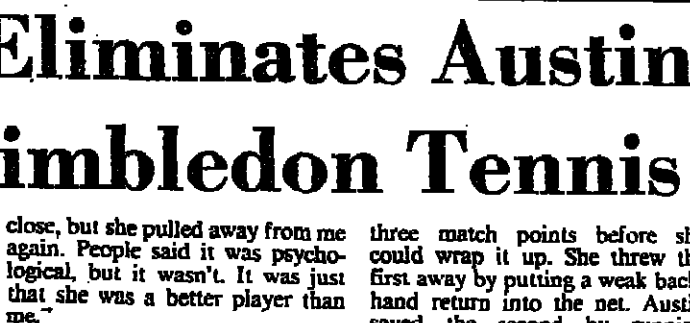
**Most Satisfying Victory**  
Then Austin got a bad bounce on the wearing grass court, and Shriver went to her third match point. This time Shriver pulled Austin out of position, then put a forehand volley away for a winner.

Shriver, who was the youngest-ever finalist in the U.S. Open in 1978, said, "This was more satisfying," she said. "If I've had a perfect match to date, that was it. I played real tough."

It took Lloyd 64 minutes to make the semifinals for the 10th consecutive year as she played shrewdly from her baseline.

Jausovec tried to break up the rhythm of Lloyd's game by missing her shots and drawing Lloyd to the net, but the American was too consistent.

Navratilova streaked away from her opponent from 2-2 in the first set. She won 12 points in a row and took four straight games for the set.



Jerry Pate dives into the lake after sinking his final putt and winning the Memphis Golf Classic.

# Pate Puts End To Golf Drought

**United Press International**  
MEMPHIS — Jerry Pate recorded his first victory in three years Sunday by winning the Memphis Golf Classic. He finished with a birdie on the last hole to fend off a challenge by Tom Kite and Bruce Lietzke, his brother-in-law.

Pate finished with a 3-under-par 69 to tie for 14 under for the tournament at Colonial Country Club. He then fulfilled a promise to leap into the lake off the 18th fairway upon winning. He swam 50 yards to the other shore as the spectators cheered.

The \$24,000 first-place prize money made Pate the youngest player in PGA history to earn \$1 million in a career.

Kite finished with a 68 for a four-round total of 276 and tied Lietzke for second place. Lietzke fired a 5-under-par 67.

Dennis Watson, making his first tournament start since winning his PGA card, finished in a tie for fourth at 281 with Peter Jacobsen, who began the round in second-place but ballooned to a 75 on Sunday. Watson, a South African, shot an eagle on No. 16 and closed with a 68.

Lee Trevino, the defending champion, unleashed a string of three birdies on the back nine to finish with a 71, but it was too late to catch the leaders. He had a 6-under-par 282 to tie David Thore for sixth place.

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KITCHENER, Ontario — Ray Floyd won the Canadian International Golf Classic Sunday by six strokes by carding a 1-under-par 71 in the final round.

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Daniel Talbot, whose meager professional experience includes the Space Coast tour in Florida, settled for a 1-over-par 73 to finish in second place at 283. David Ogden was tied for third with two Canadians, Don Allman and Moe Norman.

# Baseball Commissioner Tells Why He Supports Compensation

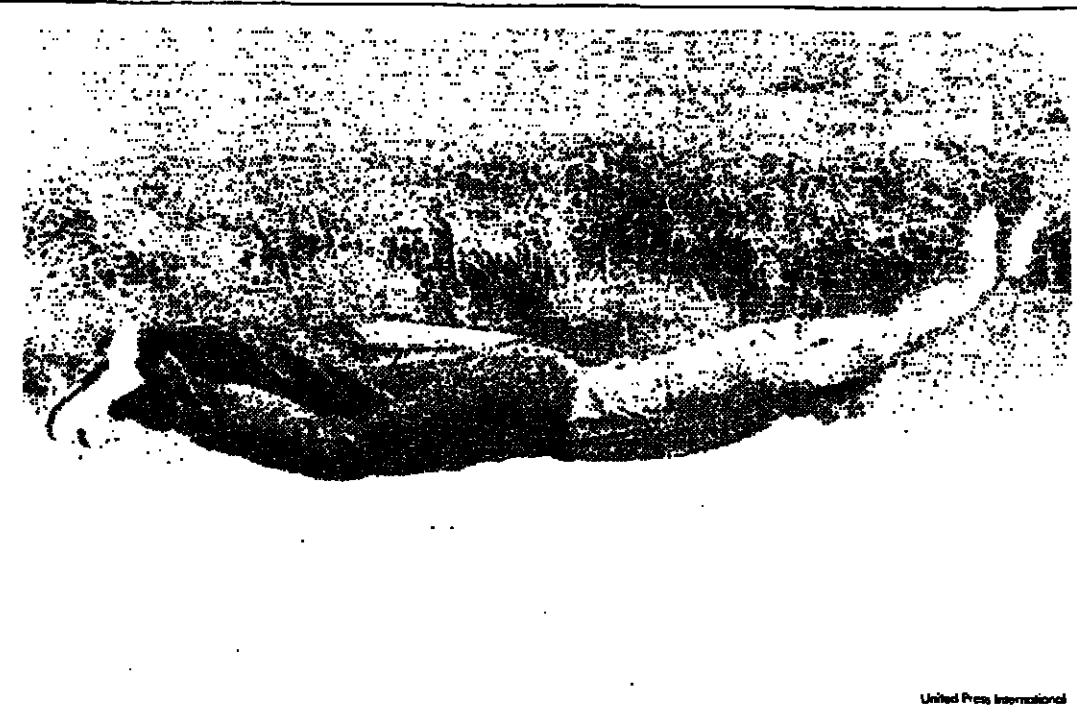
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By Joseph Durso  
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# Connors, Aged 28, May Be at Crossroad

**By Neil Amdur**  
**NEW YORK** — Jimmy Connors may have taken them for granted over the years, at now that he is in the role of challenger instead of champion, Connors listens when colleagues talk out flaws.

After his opening singles match Wimbledon last week, Connors scowled that he was releasing a ball too soon on his toss, thus sing some control on his left-handed serve. Arthur Ashe, the S. Davis Cup captain, reminded Connors to toss the ball "a little ore to the left" for maximum stability.

"I've been serving a lot better," Connors said Sunday — an idly at Wimbledon — discussing a st week in which he scored imressive straight-set victories over ck Stockton, Chris Lewis, Tony ammahva and Wojtek Fibak. he serve is coming in heavier in the past. It helps my volley d makes me go to the net a little re."

**First-Week Talk**  
The first-week talk among the at Wimbledon was Bjorn rg's bid for a six consecutive g's singles title. John McEnroe's pper and whether both could k up where they left off last r at 8-6 in the fifth set.

Connors, meanwhile, moved ough the draw so methodically d inconspicuously that his most dicated moment of the week e last Saturday, before the rnement began, when he quesed court scheduling and what saw as the indifference of unes toward players.

"The player's the one who needs e considered," Connors, who n here in 1974, said. "He's the e who's out there giving his gus, hat the hell's the good of the guy, he chair? If you're not going to aighten out problems, the plays got nothing."

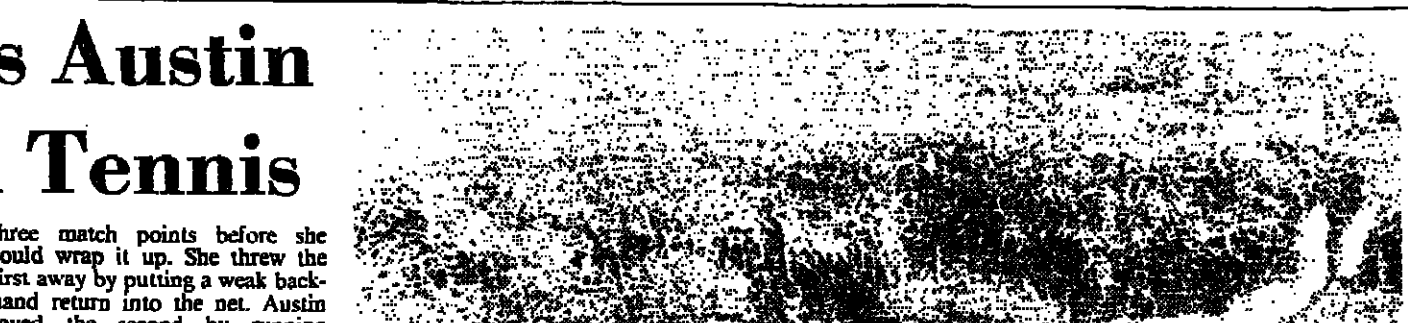
This is an important Wimbledon r Connors, perhaps even a sroad in his career. At No. 3 ind Borg and McEnroe, Connors, now 28 years old, needs a g for title to maintain any hope of jaiming what he owned before e dismantled his armor in their 75 final.

**Back in Davis Cup**  
Connors is relaxed, satisfied th personal conditions around n. His resume is family, not ends: wife, Patti, and son, Brett, is almost 2 now and old ough to wave his own tennis rret in their flat at Knightsbridge. Connors has rejoined the U.S. rvis Cup team and will play in e inter-zone series next month in York against Czechoslovakia. and McEnroe, who exchanged ter words during last year's imbledon semifinals, have be me regular practice partners at s fortnight, united in their atide toward umpires and a mission end Borg's long reign, now at e consecutive championships d 39 straight matches.

"I think Jimmy's playing as well e can play," said Ashe, who tched all of the Connors and eEnroe matches during the first ck. "He spent a month practic-



Jimmy Connors relaxed and confident.



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# Weaver Reported Set To Forgo \$3 Million And Take On Tillis

**The Associated Press**  
CHICAGO — Mike Weaver, the World Boxing Association heavy-weight champion, appears ready to pass up \$3 million in order to hold onto his title.

Weaver already has signed to fight the No. 1 contender, Gerry Cooney, in October. But the WBA has told him he must first fight unbeaten James (Quick) Tillis and must sign for that bout before July 25.

"I've worked too hard for that title. I don't want to lose it, even though I'd make \$3 million to fight Cooney," Weaver said in an interview published Sunday in the Chicago Sun-Times.

Weaver asked the WBA to sanction the Cooney bout. But last week in Houston, the WBA's executive board voted 16-0 to maintain its support of Tillis, of Chicago. The board set July 15 as the deadline for purse offers for a Weaver-Tillis fight, and gave Weaver an extension until July 25 to accept an offer and sign.

**Title Over Money**  
"I really don't know if I'll fight Cooney now," Weaver was quoted as saying. "They've been waiting to see what I'm going to do and I've been waiting to see what they are going to do. I figure they'd been trying to scare me into fighting Tillis by saying they're going to strip me of my title."

"But now I guess they're serious about stripping me. And I'm going to have to think this thing over. Cooney or Tillis. Right now, if I were to decide between \$3 million and my title, I'd rather have my title. It means more than money. It means more than anything. The only reason I've been holding back from fighting Tillis is to see what the WBA was going to do."

Don Manuel, Weaver's manager, said Sunday in Los Angeles: "I really don't know if I'll fight Cooney now."

**Raleigh Bicycle Team Wins 5th Leg in France**  
CARCASSONE, France — The Raleigh team led by Gerrie Knetemann of the Netherlands won the 77.2-kilometer (48-mile) fifth stage of the Tour de France bicycle race Monday.

The Raleigh team won the race between Narbonne and Carcassonne in one hour and 41.03 minutes or 19 hundredths of a second ahead of Peugeot.

Knetemann retained the overall lead, one second ahead of teammate Ludo Peeters of Belgium.

**Bowie Kuhn**  
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